HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

30 Elizabeth II

VOLUME X, 1981

COMPRISING THE PERIOD FROM THE FIFTEENTH DAY OF JUNE, 1981
TO THE SEVENTEENTH DAY OF JULY, 1981

INDEX ISSUED IN A SEPARATE VOLUME

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

Available from Canadian Government Publishing Centre, Supply and Services Canada, Hull, Québec, Canada K1A 0S9.

HOUSE OF COMMONS

Monday, June 15, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE MONARCHY

ACT OF VIOLENCE AGAINST HER MAJESTY—MOTION UNDER S.O. 43

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, under the provisions of Standing Order 43 I wish to move a motion relating to the wanton act of violence perpetrated against Her Majesty the Queen, during her official birthday ceremonies. I therefore move, seconded by the hon. member for Nepean-Carleton (Mr. Baker), and the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House expresses to Her Majesty its extreme shock at the violence which occurred, that this House expresses its admiration to Her Majesty for her outstanding courage during the ordeal, and that this House condemns all such violent acts, especially those acts against public figures during the discharging of their duties.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

POLITICAL PARTIES

LIBERAL PARTY TWINNING CAMPAIGN—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 as a proxy for the thousands of Canadians who do not have access to adequate mail delivery. The government and the Liberal party have exhibited an exuberance and enthusiasm in communicating with Canadians in ridings they do not hold, by flying Liberal "twins" around the country, mailing greetings and plaques from Liberal "twins", etc. I therefore move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Trudeau government and the Liberal party divert the funds expended on their partisan political "twin" program to purchase site mail boxes for Canadians who are deprived of first-class mail delivery service.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ST. LAWRENCE SEAWAY

PROGRAM TO MEET SHIPPING NEEDS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter that is truly of national and urgent necessity. Whereas the maximum capacity of the St. Lawrence Seaway will be reached by 1985, just four years from now, all users of the Seaway are agreed that early government decisions are necessary with respect to both facilities and charges, so that they might themselves properly govern their own affairs accordingly. I therefore move, seconded by the hon. member for Erie (Mr. Fretz):

That the Minister of Transport immediately commence a program of action and improvement to the St. Lawrence Seaway system compatible with the marine and shipping needs of today.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TEXTILES AND CLOTHING

CALL FOR ANNOUNCEMENT OF GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Chris Speyer (Cambridge): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The report of the Textile and Clothing Board inquiry was tabled on June 30, 1980. In spite of numerous speeches, motions and questions in this House, the Minister of Industry, Trade and Commerce (Mr. Gray) has persistently refused to act in announcing government policy in this important area. In view of the fact that the minister's inaction is causing frustration and alarm within the textile and clothing industry and to the 500,000 Canadians directly or

indirectly employed therein, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Industry, Trade and Commerce announce forthwith the policy of the government pertaining to the clothing and textile industry or, in the alternative, resign, having demonstrated such incredible ineptness in discharging the duties of his ministry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

PERMISSION TO ENGAGE IN COLLECTIVE BARGAINING—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. We note that Treasury Board, under considerable pressure to return to the January 1, 1981, retroactivity RCMP contract date, restored to each member of the force from $750 to $1,600 in back pay, but at the same time cancelled fringe benefits announced two weeks ago. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That since the federal government has again exhibited its inability to deal fairly with the RCMP, the paternalistic divisional representatives system be abolished and that this House urge the government to bring forth a bill to permit the men and women of the RCMP to engage in collective bargaining.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

POLITICAL PARTIES

SELECTION OF RALPH GOODALE AS SASKATCHEWAN LIBERAL PARTY LEADER—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Given the acclamation on the weekend of one of our former colleagues, Ralph Goodale, as leader of the Liberal Party in Saskatchewan—

Some hon. Members: Order.

Mr. Evans: —I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That this House extends its best wishes to Mr. Goodale and his party and expresses its desire to see a Liberal government in Saskatchewan.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

INCORPORATION OF MAGNA CARTA PRINCIPLES—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Today, June 15, being the seven hundred and sixty-sixth anniversary of the signing of the Magna Carta at Runnymede, clauses 4 and 5 of which established the basis in British constitutional law, practice and convention, of which we in Canada are fortunate in being able to count ourselves the beneficiaries, for the right to property and the guarantee against its arbitrary seizure by the state, I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House condemns the government for having rejected a Progressive Conservative amendment to the constitutional proposals which was designed to guarantee to all Canadians the right to the enjoyment of private property and full legal protection against the government's arbitrary seizure or alienation of that property, even 25 per cent of the property of others as provided for, through retroactive application, in their Bill C-48.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ST. LAWRENCE SEAWAY

CALL FOR TRIPARTITE DISCUSSIONS—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas a recent study by the Ontario government's Great Lakes-Seaway Task Force indicates that tanker traffic in the Welland Canal will grind to a halt by 1985 thereby causing a complete collapse of major commodity shipments through the Seaway, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the government recognize the serious urgency of this problem by taking immediate steps to prevent the possible collapse of commodity traffic in the Seaway and that, as a first step, the government open in-depth discussions with the government of Ontario and Seaway authorities in the United States in order to begin implementing the task force recommendations designed to stop further erosion of the Seaway's capacity.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

POSITION OF MUNICIPALITIES—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Last week the minister responsible for Canada Mortgage and Housing Corporation indicated to the Federation of Canadian Municipalities that he would do his best to get municipalities "a secure place in the Constitution". Therefore I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the minister issue a position paper as soon as possible to explain to this House how his ministry feels this "secure place in the Constitution" can best be resolved.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, on June 9, 1981, in this House of Commons the Prime Minister said with regard to energy pricing:

We would like the over-all result to be the federal government sharing 23 per cent or 25 per cent of the take, and the provinces and the private sector sharing the rest.

He is telling the Canadian people that the federal government gets only 10 per cent of the action. Out of the $1.66 charge on a gallon of gas in Ontario, the Alberta government gets 22.7 cents, the Ontario government gets 25 cents, the federal government gets 56 cents, or 33.7 per cent of the amount being charged; the producer gets 19.3 cents, the refiner 33 cents, and the dealer 10 cents. It is obvious the Prime Minister is somewhat misleading in his figures. Under Standing Order 43 I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Prime Minister of Canada refrain from giving false information to the Canadian people, designed to pit the east against the west so he can continue to hold power for his own selfish means.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

CANADIAN BROADCASTING CORPORATION

EFFECT OF STRIKE ON NORTHERN COMMUNITIES—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas isolated and northern communities are being deprived of English, French and all native language programming due to the NABET strike, thereby creating a situation of almost total isolation in relation to communication links with southern Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House direct the CBC management to move expeditiously toward a fair and just settlement of this strike.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*Translation*]

PUBLIC WORKS

PRECISE TERMS OF REFERENCE GIVEN TO SOCIÉTÉ IMMOBILIÈRE DU CANADA, MIRABEL LTD.

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have a question for the Minister of Public Works. Last February the minister announced the establishment of a new corporation, namely the Société immobilière du Canada, Mirabel Ltd, and its chairman stated that the mandate of the organization was far from being confused. In fact, he said that their preliminary mandate was to draft a more precise mandate. Can the minister say whether the white elephant has finally come up with a precise mandate?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): I am sorry, Madam Speaker, I did not catch the name of the corporation the hon. member mentioned.

[*Translation*]

Mr. Clarke: Madam Speaker, it was the Société immobilière du Canada, Mirabel Ltd.

[*English*]

Mr. Cosgrove: Madam Speaker, the first objective of the corporation which was announced last year was to review the history of the project in Mirabel, taking a look at government activity in conjunction with provincial activity in the area, and

to return to cabinet with a request for a mandate for the corporation, and to assit the government in bringing a resolution to some unhappy claimants, for example, people who were originally expropriated in that area. The local communities feel that a long-range plan is needed to revitalize the area and would like assistance in the deregulation of the ownership of some of the outside or peripheral lands.

[*Translation*]

INQUIRY CONCERNING DETAILS OF SALE OF 80,000 ACRES OF LAND

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, this file has now been gathering dust for twelve years. Does this corporation intend to take more time still to review once again how to proceed with the sale of the 80,000 acres of land which were needlessly expropriated?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): On the contrary, Madam Speaker, the corporation has not been in place for one year. The first task given to the corporation was to return to the government, assist in setting up the mandate for such a corporation, and to recommend to government the procedures that corporation should follow—for example, how would the local community, namely the municipal officials, the provincial government and many private individuals, be engaged? What process would be followed? My understanding is that the new chairman and the officials of the corporation have met with a number of local interested citizens. I further understand that they are in the process of coming forward to government with a design. I expect it will be made available to the government before the end of the summer.

* * *

REGULATORY REFORM

INVOLVEMENT OF PARLIAMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question for the President of the Treasury Board. On Friday last the Prime Minister announced that the President of the Treasury Board would be the co-ordinator for regulatory reform within the cabinet touching on the recommendations of the report of the Economic Council of Canada. The minister will know that the Economic Council of Canada in its report on the effect and cost of regulation on the consumer touched on three or four departments, including transport, fisheries, and agriculture. Given the importance of that report, its impact on consumers, and the savings that could be effected by consumers, does the minister on behalf of the government intend to involve Parliament in this regulatory reform and either set up a committee on regulatory reform, or refer the report of the Economic Council of Canada to a standing committee of this House?

• (1420)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first let me point out that the office of the co-ordinator of regulatory reform has been in existence for some time. The mandate for co-ordinating regulatory reform across the government is a mandate which I received shortly after my appointment to my present post as President of the Treasury Board. Clearly we have important work to do in this entire area. We have been waiting with great anticipation the tabling of this report by the Economic Council of Canada. I might point out at the same time that we have been moving very rapidly in the area of regulatory reform.

When the hon. member speaks about the involvement of Parliament, I would draw to his attention that we already have the report of a task force which was very well received that dealt primarily with process. In the area of process, the report of the Economic Council also, as you and the House know, Madam Speaker, has moved forward and suggested numerous improvements that can be made, all of which I might say for the most part are already under way. I am frankly delighted with the progress we are making and I can assure hon. members that the report of the Economic Council will receive full consideration by the government.

REQUEST FOR REFERRAL OF ECONOMIC COUNCIL REPORT TO PARLIAMENTARY COMMITTEE

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister may be very well satisfied with the progress they are making in government on regulatory reform. Parliament has no way of knowing what goes on in cabinet, and only the government can refer a report to a committee. Therefore I would repeat to the minister, given the fact that this report of the Economic Council of Canada, commissioned by the government, touches on three or four departments, including transport and fisheries, and given the fact that this is the only way Parliament can have access to members of the Economic Council of Canada who frame these recommendations, will the minister, on behalf of the government, refer that report to a standing or special committee of the House on regulatory reform so members of this House will at least have the chance of determining whether or not any progress is being made within the cabinet on regulatory reform?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, clearly the involvement of Parliament in this whole area of regulatory reform is of utmost importance, and I will certainly pay great attention to the suggestion of the hon. member.

HOUSING

ESTABLISHMENT OF DEBT MORATORIUM BOARD—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, last Wednesday we heard the Minister of Finance say he was ready to aid those people facing foreclosure because of abnormally high interest rates. I would ask the minister responsible for housing whether he has considered establishing a debt moratorium board similar to the one set up in the 1930s by the federal government? Such a board could aid bona fide applicants reduce their monthly payments, extend payment periods, and generally help slowdown the unacceptable present day home eviction rate. This legislation would also make banks readjust their loan payment schedules.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, only in a peripheral way have we considered that request. I would think our response should be that under present circumstances, with the housing industry regenerated and very active in addressing supply, with supply eventually affecting affordability, we think that measure is not warranted.

INTRODUCTION OF LEGISLATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I would address my supplementary question to the Acting Minister of Finance. Has the acting minister or the Minister of Finance given any thought to introducing legislation, as was introduced in the 1930s by the federal and provincial governments, to assist individuals having problems with their mortgages? This legislation would require banks and lending institutions to readjust loan payments due to the 20 per cent interest rate which is causing record business bankruptcies. This readjustment of monthly loan payments could help reduce the business sector's extremely high bankruptcy rate.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, that is a suggestion which the Minister of Finance may want to study closely and which he might consider when preparing the next budget.

* * *

• (1425)

[*English*]

THE ECONOMY

WEEKEND MEETING OF CABINET

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Finance and the Prime Minister I should like to address a question to the Acting Prime Minister having to do with the meeting of cabinet which took place on the weekend.

After the meeting the Minister of Finance indicated that there were no new measures being contemplated by the government to deal with the problem of inflation and that any economic measures would have to wait until the fall. How can the minister justify that kind of systematic inactivity when we have so many increasing problems of bankruptcies facing farmers, when we have problems of bankruptcies facing small businessmen, and when we have a crisis in the housing industry across the country? How can the government possibly justify that kind of inactivity?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I understand that the question posed by a distinguished member of the press was whether the Minister of Finance intended to bring in a mini budget in the coming days. Apparently the answer was that there was not such an intention but, of course, the Minister of Finance will continue to make statements on the state of the economy, as he did over the weekend at the convention in Saskatoon which chose such a good, young and dynamic leader for the Liberal party in Saskatchewan.

Mr. Rae: Madam Speaker, the minister may have had an amusing time in Saskatchewan. The minister may have had an amusing time at Meach Lake, but millions of Canadians are not having a very amusing time because of the government's policies and because of the problems inflation and high interest rates are causing the average Canadian.

INQUIRY CONCERNING GOVERNMENT PROGRAMS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in the absence of the Prime Minister and the Minister of Finance, and quite apart from statements, will the acting minister indicate whether the government intends to bring in any programs which will provide relief to farmers, to small businessmen and to home owners, prior to the summer?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the meeting at Meach Lake yesterday was not an amusing meeting in the sense that few jokes were made. It was a very serious meeting, and the problem of inflation particularly was well reviewed. The Minister of Finance or the Prime Minister will be here later on this afternoon and, if they care to, they will answer in more detail the question raised by the hon. member. Obviously I am not in a position to do that at this time.

Mr. Rae: Madam Speaker, when 30 clowns are put together, I am sure there is bound to be an amusing time.

COST OF LIVING TAX CREDIT

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my final supplementary question has to do with the fact that on Friday the industrial wage figures for the year were released by Statistics Canada. Those figures showed that the wages of an average worker in Newfoundland fell some $700

behind the rate of inflation in one year. In Ontario wages fell behind by $350; in Saskatchewan, $400; and in British Columbia, $119. The average shortfall in Canada was some $245.

In light of the fact that in this last year wages have fallen well behind the rate of inflation, I would like to ask the minister whether he can now make a commitment that the government will stop its consideration of wage and price controls, which would have the effect only of further reducing the standard of living of the average Canadian faced with inflation, and will the government make a commitment to introduce a cost of living tax credit, which would have the effect of providing some assistance to those Canadians hardest hit by the inflation we are presently going through?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, no economy in the world today of which I am aware is in a perfect situation. If my hon. friend wants to choose statistics to offer, of course he can find some which are not particularly agreeable to contemplate, but there are others which are extremely good. The extent of growth in Canada at this time is substantial. The number of jobs being created is exceptionally good. It all depends what statistics one wants to use, but we all agree that no perfect set is available at this time in Canada, or elsewhere in the world for that matter.

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HEALTH

SITUATION OF JAMES BAY CREE—REQUEST FOR MEETING WITH PROVINCIAL AUTHORITIES

Mr. Keith Penner (Cochrane-Superior): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. As the minister knows, a great many members of Parliament, especially those who serve on the Standing Committee on Indian Affairs and Northern Development and the Standing Committee on Health, Welfare and Social Affairs, have been deeply concerned, and still are, about the situation facing the people who live in the James Bay area, following the signing of that historic agreement.

On May 26 a motion was passed in the Standing Committee on Health, Welfare and Social Affairs asking the minister to set up a meeting with the province of Quebec, with the Cree people and with officials from the Ministry of Indian Affairs and Northern Development and the minister's own department. I would like to know from the minister whether she followed up on that motion. Was such a meeting held and, if in fact it was held, what if any progress is the minister able at this time to report to the House of Commons?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, further to the standing committee meeting on the James Bay Cree health situation, I did speak with the hon. Pierre-Marc Johnson, the minister of health in Quebec, the same afternoon. One or two days later I confirmed by letter the problem, and made a request for a joint meeting.

My colleague, the Minister of Indian Affairs and Northern Development, and I had a meeting last week of officials of the three federal departments involved, in preparation for the meeting we are trying to set up with Quebec and the Cree to review the situation locality by locality, community by community, in terms of help, infrastructure, and every aspect of sanitation relating to health, which I think is the thrust of the committee's recommendation. Now that all of us are prepared for it, I am of course hoping to have the meeting of all the players, as was recommended. I will report of course to the House and make it public as soon as we have the chance.

* * *

● (1430)

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. M'HAMED CHAKER, MINISTER OF JUSTICE OF TUNISIA

Madam Speaker: It is my pleasure to draw the attention of the members of the House to the presence in our gallery of the hon. M'hamed Chaker, the Minister of Justice of Tunisia.

* * *

[*English*]

HEALTH

DANGERS OF USE OF CANNABIS

Mr. Robert Wenman (Fraser Valley West): My question is directed to the Minister of National Health and Welfare. In view of the sobering scientific research that supports earlier evidence that cannabis can cause devastating and irreparable damage to brain cells, as well as genetic damage to first and second generations, and recognizing that this new research is not part of the material being studied and circulated by the government, will the minister assure the House that she will update departmental research and refer the subject matter to a select standing committee of the House before introducing any legislation changing the status or penalties relating to cannabis?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, with regard to the introduction of legislation by the government to provide a more equitable treatment of Canadians, especially young Canadians, who have a criminal record because they have smoked marijuana, I would like to tell the hon. member that, in my opinion, what he recommends in his question would not exactly be the best solution.

Regarding health problems, we always prepare an update of scientific literature on a given matter. This material should be made available to hon. members when considering the bill so that they can make a more in-depth study and have full knowledge of what the government intends to do. I believe that the best way to proceed is to have all tools in hand at the same moment.

[*English*]

Mr. Wenman: If the minister was in fact aware of the newer research material I doubt she would allow the legislation to be introduced.

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CRIMINAL CODE

LAYING OF CHARGES FOR IMPORTATION OF CANNABIS

Mr. Robert Wenman (Fraser Valley West): My supplementary is directed to the Minister of Justice. The minister's department has just dropped guidelines calling for the laying of a charge of importation if a person brings in 20 kilos of cannabis, the equivalent of 80,000 joints of marijuana, or more into Canada. Surely someone bringing 80,000 joints or more into the country is in fact importing and should be so charged.

Recognizing the contemporary health hazards involved, and the dropped guideline is a *de facto* dropping of the seven-year prison term, will the minister, in consultation with his colleagues, the Minister of National Health and Welfare and the Solicitor General, review and reconsider both the guidelines and the introduction of any legislation prior to further discussion of the health hazard?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, this guideline policy given to the Crown attorneys in marijuana cases has been in place for several years, and the discretion used by the Attorney General was also used by my predecessor two years ago and by the others before him so that the problem could be solved satisfactorily. I do not believe that it would be appropriate to change these guidelines for the moment, but I shall give consideration to the suggestion made by the hon. member.

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[*English*]

NATIONAL SECURITY

REVIEW OF TASCHEREAU-KELLOCK COMMISSION PAPERS

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question is directed to the President of the Privy Council in the absence of the Solicitor General.

The Solicitor General stated in the House on May 28 that he was in receipt of the interim report by Mr. Branscombe on the possible release of the so called Taschereau papers dealing with national security. He also said the complete review by Mr. Branscombe would be finished, he used the word "soon", and the government would make its position known "soon". In view of the fact that Mr. Branscombe has now apparently finished the review, is the minister in a position to tell the House the current status of the situation? Can the government's position be made known now, or when will it be made known?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am not informed that Mr. Branscombe has made his report yet. The hon. member says "apparently". I have no indication that this is correct and accurate. I can verify this with the Solicitor General, but I can confirm to the hon. member that Mr. Branscombe has not made his report to me as yet.

DECISION ON MAKING REPORT PUBLIC

Mr. Tom Cossitt (Leeds-Grenville): I am somewhat surprised that the President of the Privy Council apparently does not know what is going on in his office because I am assured that the report has been completed.

As a supplementary I ask the minister is one of the problems the government is facing in making this report public, or in reaching a decision, the fact that certain names are of a delicate nature and it is naturally trying to determine a way that the report can be made public in detail, but using some sort of pseudonym system to protect the human rights of certain persons named therein?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if I had been given a report, I would know it. I do not want to speculate, and I am not here to feed the gossip press of the hon. member. However, I shall check with the Solicitor General, and when he confirms that he has the report, he will be able to follow up on the questions of the hon. member.

* * *

[*English*]

INDIAN AFFAIRS

SANITATION FACILITIES AT PAINT HILLS, P.Q.—AVAILABILITY OF FEDERAL FUNDS FOR CREE COMMUNITIES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. The people of Canada have a continuing concern for the terrible health situation of the James Bay Cree and the failure of the government to live up to its obligations. I understand the minister's department has been telling people they have been doing something to correct the contaminated water situation in Paint Hills, a situation which has been documented since January. However, the Cree Housing Corporation has had to borrow money to institute an emergency program in Paint Hills and has not received any

money from the department. We all know the work cannot be done without funding.

When can we expect that the department will move beyond issuing false assurances that it is doing something? When will some money be forthcoming to provide decent water facilities in Paint Hills and other Cree communities?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I met last week with my colleague, the Minister of National Health and Welfare, at the same time I was meeting with some of my senior officials from the Quebec region to assess the cost of doing something permanent, as well as something immediate in terms of a temporary solution to the matter this year. We are going to get on with what can be considered a quick job this year; it is not adequate in terms of a more permanent water and sewage system at Paint Hills. We are budgeting it for next year and will do as much of the preparation work as we can this year.

We have pretty well identified the cost and we are going to try and find the money this year. If the Cree are spending some of their own money, and my assistant deputy minister was talking to them all last week, then we can look at that from the point of view of possibly reimbursing them at a later stage. I can assure the hon. member we are doing everything possible to try to correct this situation as fast as we can.

● (1440)

REFERRAL OF REPORT TO PARLIAMENTARY COMMITTEE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the summer season is now here when the health needs of the people are most real. I understand the report the minister requested, to review the spirit and intent of the James Bay agreement, is now finished. Could the minister inform the House as to the major contents of the report? Will he request a special reference to the Standing Committee on Indian Affairs and Northern Development so that the committee can study the report in some detail?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, in view of the fact the report is under preparation and we have all co-operated to obtain it, I do not think it should be or will be kept secret in any way. The fact of the matter is that it is not yet completed; it is almost completed. When it is completed we will all have a chance to review it, possibly at the standing committee where most of these discussions regarding the matter have taken place.

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IMMIGRATION

FUNDING FOR VOLUNTEER AGENCIES

Mr. Chas. L. Caccia (Davenport): Madam Speaker, over the past six months or so representations were made by many volunteer agencies in Montreal, Toronto, Winnipeg and Vancouver for increased funds to help them provide services to immigrants. Will the Minister of Employment and Immigration inform the House whether he intends to fight for an increase in the allocation to immigrant settlement and adaptation programs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as hon. members of the House may know, when the decision was taken to undertake a major refugee program for the Vietnamese, the government authorized an additional sum of money to deal with the problems of immigration adaptation. When the program came to an end last year, the money for immigration settlement reverted to its normal level. Because of the representations mentioned by the hon. member, and the assessments of our officials, it was clear there was still an ongoing need for continued work in the area. As a result, the government authorized an additional $4.3 million to deal with immigration problems, an additional $927,000 million for the ISAP program, and $3.37 million to deal directly with the needs of refugees to supply them with necessities such as housing and other luxuries—

An hon. Member: Luxuries?

Mr. Axworthy: —until such time as they become self-sufficient. I think those representations have now been met.

* * *

TRADE MARKS AND PATENTS

PROTECTION FOR TELIDON

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, could the Minister of Communications confirm a published report indicating that the Department of Communications attempted to receive a trade mark for the name Telidon but failed because it applied too late and, as a consequence, it had to settle for a certification mark?

Hon. Francis Fox (Secretary of State and Minister of Communications): No, Madam Speaker, I cannot confirm it. My understanding is that the advice we received from the Department of Justice, and from an outside expert in this area who was retained by that department, was that the proper manner in which to proceed was the one indicated by the hon. member, that is, through a certification mark.

STATUS OF SOFTWARE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, is the minister denying the published report indicating that the government tried to obtain a trade mark in the United States and failed? In addition to not having very much security over the use of the name Telidon, could the minister confirm that only a portion of the hardware for Telidon can be protected and, further, that there is no protection for the software which could be copied and possibly enhanced by others who would intend to introduce a similar system?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, there are applications pending in both Canada and the United States. In the case of Canada, it is for a registered certification mark. In the United States, an application for trade mark is proceeding. As I understand it, Canadian Patents and Development Limited has filed lengthy patent applications in both countries.

It is not patent protection as such which is the main advantage for Canadian industry. In many cases the Telidon system can be described as being the state of the art. It is a question of know-how. In many cases these questions cannot be protected by patents.

In the case of Telidon the Canadian industry has benefited from an advance of approximately one year over its competitors in other countries. No one really believes that this system cannot be duplicated or that it cannot be processed in other countries. At the moment Canadians have a 12-month lead over their competitors which is due in good part to the policies adopted by the government.

* * *

THE CONSTITUTION

RECOGNITION OF MUNICIPALITIES AS GOVERNMENTAL ENTITIES

Hon. Jake Epp (Provencher): Madam Speaker, my question is directed to the Minister of Public Works. In a speech last week in Regina to the urban municipalities of Canada, the minister decried the fact that the municipalities were not recognized as legal governmental entities in the new constitutional proposals of the government. Was that proposition discussed in cabinet? Was the minister expressing government policy, namely, that municipal governments should be recognized as a third level of government within the Canadian Constitution?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I indicated at the meeting of the Canadian Federation of Municipalities that hopefully, with the decision of the Supreme Court of Canada on the Constitution soon, the issue of continued negotiations between the provinces and the federal government, which is called for in the resolution passed and forwarded by the House, and the issue of the relationships of all governments, would no doubt be a matter for agenda between the federal government and the provinces in the near future.

In doing so I felt with some confidence that I reflected, in so far as the municipalities are concerned, the view of one in three members of the House of Commons who at one time or another held elective office at the local level. I am sure those members, together with many others in the House, agree that a very significant role is played by local governments in the scheme of governmental activity in Canada and that they should be a part of the discussion on a future governmental scheme for Canada.

FUTURE STATUS OF MUNICIPALITIES

Hon. Jake Epp (Provencher): Madam Speaker, my supplementary question is directed to the Right Hon. Prime Minister. Those of us who have held positions in municipal governments feel that there must be ongoing dialogue and a position for municipalities, but obviously this matter must be discussed between the federal government and the provinces. The municipalities are subject to provincial legislation and provincial governments. Is it the policy of the government, as expressed by the minister, that the federal government will advocate at future conferences with the provinces that municipalities should be recognized as legal entities within the Canadian Constitution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this question has been raised several times with many of my ministers and myself. We have taken the position generally taken by the hon. minister. We agree that under the present Constitution it is a matter under provincial jurisdiction, and that any change in it would have to be the result of consultation.

We think there is a significant array of arguments for giving the municipalities status under the Constitution. Of course this must be discussed with the provinces. We feel the discussion will come at some time or other when we get to discussing the division of powers. We have no actual plans to begin that discussion now, but I think the municipalities have every right and that the ministers have every occasion to support them when they say they want to be recognized as significant entities.

You will recall, Madam Speaker, that when the House was asking that at the constitutional conference last September we bring in representatives of the Yukon and the Northwest Territories, we pointed out in the House that the municipalities were also elected and that they represented people. Therefore we posed the problem in much the same terms as the minister.

* * *

NORTHERN DEVELOPMENT

INVESTMENT IN MAJOR PROJECTS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. On May 28, 1981, Hon. Bud Olson, the Minister of State for Economic Development, said that the federal government envisaged the need for major investments in a northern transportation system and in hydro power generation. Could the minister indicate to which specific projects in the field of transportation—which roads, railway, harbours and pipelines—was the Minister of State for Economic Development referring and, similarly, to which hydro projects?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if the hon. member wishes some indication of what priorities there are in terms of

infrastructure of this kind, hydro and roads, I would be pleased to go into it, as I have been willing to at standing committee, in some detail. If the hon. member wants to know exactly what was in the mind of the gentleman from the other place, Mr. Olson, I think that it is best that the hon. member ask him.

Some hon. Members: Oh, oh!

● (1450)

QUERY RESPECTING GOVERNMENT ACTION

Mr. Dave Nickerson (Western Arctic): I would submit, Madam Speaker, that the Minister of State for Economic Development has an over-all view of Canada, and it would be the minister of northern development who should know the specific details in the area which comes under his jurisdiction. Am I correct in thinking, Madam Speaker, that this is another one of these promises, something like the western development fund, the $4 billion fund, which everyone over there refers to, but which never seem to materialize? Are these just promises, or is the minister really going to do something about these questions?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if the hon. member would like to see the whole history of federal government expenditure in the Northwest Territories which has reached up into the hundreds of millions this year, and in past years, and how it breaks down with respect to infrastructure, I would be more than happy to send it to him. If the hon. member would like to see what commitments there are in terms of what will be necessary in the future for development—when that development takes place—I will be more than happy to show him that. If he thinks that during the question period I can indicate every road which requires construction, the hon. member knows—

Some hon. Members: Oh, oh!

Mr. Nielsen: Name one.

Mr. Munro (Hamilton East): I could name several in the Yukon on which there has been significant federal government expenditure, which the hon. member for Yukon has never given us any credit for whatsoever.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton-East): I would be more than happy to send all that material to the hon. member this afternoon or tomorrow morning.

* * *

EXTERNAL AFFAIRS

COMPOSITION OF FUTURES SECRETARIAT

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State for External Affairs. While commending the minister on the appointment of the Hon. David MacDonald as president of the newly established futures secretariat, I cannot understand why, of the 27 directors, eight are from Toronto, six are from Ottawa, and five are from Montreal. In effect 70 per cent are from the Ottawa-Toronto-Montreal axis. Only one director is from British Columbia. Is it the minister's view that British Columbians are incapable of engaging in public education on the problems of the developing world, or is it simply a case, once again, of ignoring British Columbia?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the explanation for both parts of the hon. member's question is the same, namely, that this is an independent, non-governmental organization for which I can only take credit for having inspired. The choice of Mr. MacDonald as the president was made independently, and the choice of directors was made independently. I can tell the hon. member that I did hear from the president, in a report last week, that the secretariat did expect to enlarge the board of directors, and that it had begun with this board to get the operation going as quickly as possible.

Miss Jewett: Madam Speaker, the figures I gave include the enlargement. I just received word today that those are the figures. If, indeed, this new futures secretariat thinks so little of the rest of the country, it already discourages me. The minister, at least, could have suggested that it have a better representation. However, let me move on to a related question.

CONTRIBUTION TO EDUCATION

Miss Pauline Jewett (New Westminster-Coquitlam): I would like to ask the minister if he will be saying today whether the government will specifically adopt the recommendation of the North-South task force, namely, the recommendation that one per cent of official development assistance be devoted to development education.

Hon. Mark MacGuigan (Secretary of State for External Affairs): If I could catch Your Honour's eye at the proper time, I will present the government response to the task force. I can also undertake to pass the hon. member's comments on to the futures secretariat.

* * *

ST. LAWRENCE SEAWAY

TASK FORCE REPORT RECOMMENDATIONS

Mr. Jack Murta (Lisgar): Madam Speaker, I would like to direct a question to the Minister of Transport. One of the most important and far-reaching documents which have been presented to the Canadian public and the government in a number of years is the document entitled "The Great Lakes Seaway Task Force", which deals with setting a course for the 1980s. That document outlines some pretty frightening things, in terms of the St. Lawrence Seaway. I wonder whether the minister, his department or the government has made any

decision as to whether they will accept some of the recommendations in that particular document which says that traffic on the St. Lawrence Seaway will be pretty well clogged or jammed by 1985, in just four short years.

Hon. Jean-Luc Pepin (Minister of Transport): I have had discussions on that subject with a number of people, and it is generally held that capacity on the Great Lakes will have to be increased in the coming decade. The year 1985 was not generally accepted. The choice of means is not generally accepted, either. There are a number of possibilities, and discussions are going on regarding this subject. There is also uncertainty about some of the commodities being shipped on the Great Lakes now; just to mention two, iron ore and coal. In view of that uncertainty, the two authorities, the Canadian and the American, are now sponsoring a study on the conjuncture as it exists now. I will report on that when I have it.

All this is to say that capacity is generally accepted as being in need of increase—choice of means, twinning of the Welland Canal, changes in speed of traffic, extension of the season, and so on. I was reading on the subject just a few days ago and was impressed by the gains which can be made by the improvement of the management of the seaway. I remember that the figure for April was 5 per cent on the Welland. Obviously, there is some progress which can be made without the bigger, mega-projects of twinning the Welland, for example.

TIMEFRAME FOR ACTION

Mr. Jack Murta (Lisgar): Madam Speaker, the minister seems to be uncertain in terms of the direction that he wants to go in this particular matter. Coming from western Canada, a grain producing area which ships virtually all of its grain down through the St. Lawrence Seaway, we become very alarmed over the kind of inaction which the minister seems to be saying may lie ahead. What kind of time-frame, then, does the minister have in terms of starting to do something concrete, in terms of the added expansion which will have to take place within the St. Lawrence Seaway itself?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I referred to the study being done by both authorities, the Canadian and the American Seaway authorities, as being one on the present conjuncture of traffic on the Great Lakes. I would submit that I should wait to get this one before making further comments on the subject.

* * *

THE CONSTITUTION

ROLE OF LOCAL GOVERNMENT

Mr. Doug Lewis (Simcoe North): Madam Speaker, I would like to follow up on the question to the minister of housing regarding his comments to the Federation of Canadian Municipalities. In that speech the minister suggested that the role of local government warrants a more secure place in the Constitution. I would ask the minister if he could elaborate on those remarks to the House.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I could probably assist the hon. member by referring to my earlier answers in the House, which is to say that I view the process as being one which is almost as important as any effects altered or any changes made. The process is one which is very important. I said in the speech, and to other hon. members and to the media after the speech, that the process is one which must involve the provinces and the municipalities in discussion before any specific way, any specific method, any specific institution or any specific relationship is altered or proposed for consideration by other governments.

MINISTER'S VIEWPOINT

Mr. Doug Lewis (Simcoe North): Madam Speaker, once again, the minister referred specifically to security. I would like to ask the minister, through Your Honour, exactly what point of view is he putting forward as far as the security of municipalities under the Constitution is concerned? Where are the insecurities?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I indicated in my last comments, my thought was that from my experience in local politics the thrust should be to have a somewhat more structured relationship between the municipalities, the provincial governments, and the federal government, than that which presently pertains. For example, at the last meeting between myself and ministers of housing from across Canada there was only one province which invited observers from that province to attend such a convention. My feeling is that such a relationship should be strengthened in the sense that it should be more frequent, and there should be some certainty in the type of relationship which would pertain in the future.

* * *

• (1500)

SOCIAL SECURITY

RECIPROCITY WITH GREAT BRITAIN

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Health and Welfare. In reply to a question that I put in committee two and a half years ago about reciprocal arrangements on pensions between the United Kingdom and Canada, the minister replied as follows:

> That is my priority. Italy was a priority, Great Britain was one. Italy is done and I am very proud of it, but I want to unblock the Great Britain dossier. It is very important.

In view of the fact that the minister considers it important and a priority, I wonder why there has been no action in two and a half years?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, very unfortunately, it is because the government of Her Majesty in Great Britain decided to refuse any agreement with Canada. I met again, I think it was late October, in London with the minister for Great Britain, literally pleading for an agreement with Great Britain to increase the pensions they pay to their former residents now living with us in Canada, and to have reciprocity on pensions. That was rejected without any possibility of compromise by the United Kingdom. I regret it very much.

We have since proceeded to signing an agreement with Greece and we have signed with the United States. That will help a lot of Canadians, both here and those having to live and work in these countries. Unfortunately, Great Britain has completely refused any possible assistance to its people living with us in Canada.

INTERNATIONAL TAX AGREEMENTS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, may I put a supplementary question to the Minister of National Revenue. In December an international taxing agreement was signed whereby nations could tax pensioners from other nations, and exemptions were made up to $10,000 for all countries, except for British pensioners living in Canada. I wonder why there is this discrimination against British pensioners living in Canada as well as the blow they received about reciprocal pensions?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I think the same situation applies. We have bilateral agreements with various countries. I think the answer to that is, in substance, the same as the answer given by the Minister of National Health and Welfare.

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[*Translation*]

AVIATION INDUSTRY

MANPOWER TRAINING—NEGOTIATIONS BETWEEN GOVERNMENTS AND INDUSTRY

Mr. Marcel Roy (Laval): Madam Speaker, my question is for the Minister of Employment and Immigration. It concerns co-ordination of a manpower training program in the field of aeronautics where there is now a shortage of specialized labour and where a demand for 13,000 workers is expected by 1983. Since the province of Quebec now accounts for 50 per cent of the labour force in this industry, does the minister intend to draw up a planning agreement between both levels of government and the industry to ensure that we can provide a qualified Canadian manpower, not only in Quebec, but throughout Canada, where we will need 13,000 additional workers in the next few years?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member points to a very important area of skill shortage in this country. We have responded to it with two initiatives. First, we have signed an agreement with the aerospace industry to develop long-term planning for human resource needs and to introduce, right now, a number of new training initiatives. We are also beginning negotiations this summer with the provinces to look at the whole area of training agreements so that we can begin to allocate our resources and target them at those areas where high skills are needed. We understand that the shortage of workers in this area is very critical to the economy of the country. We hope that these initiatives will provide solutions. We look forward to the co-operation of the provinces in this very important achievement.

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POINT OF ORDER

MR. FLIS—COMMENTS OF MR. RAE

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my point of order relates to the question period. It refers to the comments made by the hon. member for Broadview-Greenwood (Mr. Rae) when he said that when 30 clowns get together, something funny is bound to happen, or something to that effect.

Madam Speaker: Order, please. I am afraid that does not constitute a point of order.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Seventh report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Beatty.

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NORTH-SOUTH RELATIONS

TABLING OF GOVERNMENT RESPONSE TO REPORT OF PARLIAMENTARY TASK FORCE

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, in order to facilitate members in the debate today and tomorrow, I should like to table at this time the government's response to the report of the Parliamentary Task Force on North-South Relations.

RAILWAY ACT

EXTENSION OF STATUTORY GRAIN RATES TO TRITICALE

Hon. John M. Reid (Kenora-Rainy River) moved for leave to introduce Bill C-634, to amend the Railway Act (rates on triticale).

Some hon. Members: Explain.

Mr. Reid: Madam Speaker, the purpose of this bill is to add triticale and triticale flour to the list of cereal grains which have the benefit of the Crow rate. Triticale and triticale flour do not have that status at the present time and are unable to compete with other grains that do have it.

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

* * *

RAILWAY ACT

EXTENSION OF STATUTORY GRAIN RATES TO TRITICALE

Mr. Jack Murta (Lisgar) moved for leave to introduce Bill C-635, to amend the Railway Act (rates on triticale).

Some hon. Members: Explain.

Mr. Murta: Madam Speaker, my bill is virtually identical to the previous one. The purpose is to include triticale, which is a bread and feed grain of a very high yield, in the Crowsnest Pass rate so that it may be sold in our export markets under the same competitive conditions as wheat.

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

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NORTH-SOUTH RELATIONS

REPORT OF PARLIAMENTARY TASK FORCE

On the Order: Government Notices of Motions:

June 11, 1981—The Secretary of State for External Affairs:

That this House take note of the present state and future prospects of Canada's international relations and endorse the broad thrust of the report of the Parliamentary Task Force on North-South Relations.

Madam Speaker: Pursuant to Section (2) of Standing Order 21, this notice of motion is transferred to and ordered for consideration under Government Orders later this day.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 70, 2,217, 2,245, 2,312, 2,424, 2,472, 2,555 and 2,557.

[*Text*]

POST OFFICE CONTRACTS—MR. GERALD McKEE

Question No. 70—Mr. Cossitt:

1. In each of the past five calendar years, what were the amounts of all contracts received from the Post Office Department by RPR Associates Ltd. or by anyone associated therewith and, in each case (a) what was the amount of the contract (b) what was the purpose of the contract (c) what are the names of all persons who signed the contract on behalf of the government?

2. Was Mr. Gerald McKee a senior employee of the Post Office Department at any time that RPR Associates Ltd. received such contracts?

3. Did Mr. McKee terminate his services with the department or were his services terminated by the department and, if so (a) on what date (b) for what reason?

4. To the knowledge of the government, was Mr. McKee an employee of RPR Associates Ltd.?

5. Was any branch of government approached, directly or indirectly, for business for Gerald McKee Enterprises or for Gerald McKee and, if so, what are all the details?

6. Is it the intention of the government to appoint Gerald McKee to the Public Service and, if so, to which position and department?

7. Has Mr. McKee applied for a position in the Public Service?

8. Will any government decision in regard to Gerald McKee or Gerald McKee Enterprises be in any way based on the fact he was a Liberal Party candidate in Leeds-Grenville in the general elections in 1979 and 1980?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. In so far as Canada Post is concerned:

Date of Contract	(a) Expenditure	(b) Purpose	(c) Signed by
18/05/79	$ 26,570.64	Departmental advertising Fiscal Year 1979-80*	C. P. Parent
09/06/78	568,438.00	Departmental advertising Fiscal Year 1978-79*	R. G. McKee
01/07/77	810,602.00	Departmental advertising Fiscal Year 1977-78*	R. G. McKee
28/09/76	1,678,336.00	Departmental advertising*	R. G. McKee
04/08/76	2,126,940.00	Advertising and sales promotion of Olympic Gold Coin program	Austin Page
04/11/76	17,000.00	Consulting services related to the Olympic Metal Stamp program	B. J. Veinot
17/05/76 Amended 04/11/75 Amended 30/6/81 Original	1,803,243.00	Departmental advertising* and advertising and sales promotion of Olympic Stamp program	J. E. Uberig

* Advertising of postal products and services, including philatelic advertising, etc.

2. Yes.

3. Mr. McKee terminated his services with the department.

(a) March 26, 1979.

(b) For personal reasons.

4. Canada Post does not have a record of the subsequent employment of Mr. McKee.

5. No branch of government was approached and Supplies and Services Canada has not awarded any contract for its customer departments to Gerald McKee Enterprises or Gerald McKee.

6. No.

7. In order to respect the intent of Part IV of the Canadian Human Rights Act ("Protection of Personal Information"), it is the Public Service Commission's policy not to disclose this type of information.

8. Not applicable.

SUPPLYING OF INFORMATION CONCERNING CBC

Question No. 2,217—**Mr. Cossitt:**

What was the name and job designation of each CBC radio and television employee assigned to the Progressive Conservative Party's annual meeting recently held in Ottawa?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: it has not been customary to require the CBC to provide such details of its internal management and administration as the names and positions of employees assigned to specific program projects. The background to this custom is explained in detail in the reply to question No. 2,530, November 6, 1975.

CBC—VIEWING AUDIENCE

Question No. 2,245—**Mr. Cossitt:**

1. In what locations are CBC and CTV television in direct competition?

2. In each location, does CBC's viewing audience outdraw CTV's viewing audience over a weekly period and, if not, what steps has CBC taken to improve their share of the audience?

3. Does CBC's 11.00 p.m. news "The National" have a higher viewing audience than CTV's 11.00 p.m. news and, if so, in what locations?

4. Is the CBC taking steps to improve the calibre of its national news coverage and, if so, what are they?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: 1. St. John's, Sydney/Glace Bay, Halifax, Montreal, Ottawa/Hull, Toronto, Winnipeg, Regina/Moose Jaw, Saskatoon, Calgary, Edmonton, Vancouver.

2. A. C. Nielsen's preliminary estimates for the 1980/81 season, which reflect the CBC's performance during the complete season in the country as a whole, show that CBC-owned and affiliated stations had a 24 per cent viewing share. The audience is so fragmented in a number of centres that U.S. stations had a greater total viewing share than either CBC or CTV.

It should be noted, however, that the share of Canadians' viewing time spent watching Canadian programs approximately equals the share of Canadian programs, or choice in Canadian TV programs, available to them—as opposed to the American and other foreign programs available.

Since the information requested on the CTV network is provided by a syndicated ratings firm, statistics required on CTV viewing shares should be requested from that network.

In its over-all schedule, CBC is not in direct competition for audiences with CTV because of the corporation's specific responsibilities under the Broadcasting Act and the resulting variety of program fare. All broadcasters would naturally like to see their audience share increased, and the CBC will continue to make its productions even better as staff and funds permit.

3. The CBC's share of the audience for the late evening national news is greater than CTV's in Ottawa and Winnipeg. Over the course of the 1980/81 season, the audiences to the two networks' late evening newscasts were equal in absolute terms on a national basis.

4. The CBC considers that the national is already a superior, world-class newscast. However, in September, 1981, it will move from 11 p.m. to 10 p.m. and will be followed by a daily, satellite-based national affairs program. The total package, shown in prime time, will give Canadians a nightly sense of their country and the world.

CBC—EVENTS ON PARLIAMENT HILL

Question No. 2,312—**Mr. Cossitt:**

1. What is the number of persons who work in any capacity for the Canadian Broadcasting Corporation in the reporting of events on Parliament Hill and in government departments and what number are (a) technicians (b) newsmen or reporters?

2. What is the number of persons working in the (a) French (b) English (c) foreign section of the Corporation?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: it should be noted that the following figures represent staff working for four radio and two television networks in English and French, plus Radio Canada International.

1. 91.

(a) 31.

(b) 29.

Note: Those not included in (a) and (b) above are producers, editors, directors, production assistants and clerical support staff.

2. Of the above:

(a) 39.

(b) 44.

(c) 8.

CONSTITUTIONAL RESOLUTION—REFERENCE TO GOD

Question No. 2,424—**Mr. Cossitt:**

Did the Minister of Justice receive letters and representations on the subject of a reference to God not being made in the original constitutional resolution and, if so (a) how many, including numbers of names on petitions (b) did the representations have a bearing on the reversal of the government's decision in this regard?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Yes, from many Canadians and many members of Parliament on all sides of the House.

(a) To April 22, 1981, 8,033 pieces of mail, no figures were kept on the number of names on petitions.

(b) Yes. It will be recalled that a reference to God was proposed in "A Statement of Principles for A New Constitution" which was submitted by the Prime Minister to provincial ministers at the meeting of June 9, 1980, and tabled in the House of Commons on June 10, 1980.

DND—CONTRACT TO CAE ÉLECTRONIQUE LTÉE

Question No. 2,472—**Mr. McKinnon:**

1. Did the Department of National Defence place a $515,708 contract with CAE Electronique Ltée. for repair and overhaul of the magnetic anomaly detector system for the CP-140 avionics system and, if so, for what period has the detector been in service?

2. How often does the department expect the system to require repair and overhaul?

Hon. J.-J. Blais (Minister of Supply and Services): 1. On behalf of the Department of National Defence, the Department of Supply and Services Canada placed a contract with CAE Electronique Ltée, in the amount of $515,707.50 for the repair and overhaul of magnetic anomaly detector (MAD) systems. The first system went into service in June, 1980.

2. Based on previous experience with MAD systems, an estimated 74 sub-systems are forecasted to require third-line maintenance (at contractor's facilities) over the course of the contract, however it is not possible to provide a definite answer to this part of the question. The MAD system is installed in all CP-140 aircraft and in some training simulators; each system is made up of 28 significant sub-systems. The units will be forwarded to the contractor for repair and/or overhaul as the need arises and under the conditions of the contract. The government will only pay for the work actually carried out. The contract includes provisions for some up-front charges to cover the contractor's requirement to set up his facilities; it also includes allowance of $307,400 for CAE to purchase those types of spares only used for third-line maintenance and not carried in the Canadian Forces Supply system. Third-line spare purchases are for multi-year use.

IAN MARTIN ASSOCIATES CONTRACT

Question No. 2,555—**Mr. Stewart:**

Did the Department of National Defence and the Department of Communications purchase technical service-communications equipment valued at $277,900 from Ian Martin Associates, Ottawa, and, if so, what was the equipment and what technical services were provided?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services on behalf of the Department of Communications purchased technical services valued at $277,900 from Ian Martin Associates, Ottawa. The services of individuals were provided under nine separate contracts. No equipment was purchased.

The services provided involved the operation and maintenance of the David Florida Laboratory at Shirley's Bay on behalf of the Department of Communications. It has been government policy to contract out to industry for the skills required to operate this facility since it was opened in 1974.

DND—PURCHASE OF SCREWS

Question No. 2,557—**Mr. Stewart:**

Did the Department of National Defence purchase screws valued at $58,790 from Rolls Royce Canada Inc. and, if so, how many and for what purpose will they be used?

Hon. J.-J. Blais (Minister of Supply and Services): A contract in the amount of $58,790 was awarded by the Department of Supply and Services, on behalf of the Department of National Defence, to Rolls Royce Canada Inc., for the supply of 15 items of different types of screws. The total quantity ordered was 11,700. The screws are to serve as lifetime spares for the maintenance of the NENE 10 engine manufactured by Rolls Royce and installed in the T33 trainer aircraft.

[*English*]

Mr. Cossitt: I rise on a point of order, madam Speaker. As I have on a number of occasions, I would like to draw the attention of the parliamentary secretary to three questions that have been unanswered for a long time. The last time I raised this matter he promised he would look into it and see if he could facilitate answers.

The first question I refer to is question No. 30, which asks for the number of members of the Canadian Transport Commission and their wives who have passes on Air Canada. The question has been on the Order Paper for about two years. It seems to me a relatively simple thing to answer. The lack of an answer leads, obviously, to one asking what is being hidden.

Question No. 136 is very simple. I was assured by officials of Air Canada that the answer had been prepared for months ago, so I do not know what has happened to it. It is a very simple question and asks when the Liberal party paid Air Canada for the DC-8 it rented in the May 22, 1979 election and points out that it had not paid the bill by the time the February, 1980 election came along. When was the bill paid and how much was it? Apparently there was a dispute between the Liberal party and Air Canada, a Crown corporation. The question has not been answered in over a year.

Finally, question No. 121 asks for the number and names of defeated Liberal candidates and defeated Liberal MPs who have received appointments from the government to various positions in Crown corporations, on boards and so on. That,

also, would seem fairly straightforward. We heard a member on the other side today boast about the fact that one of our former colleagues, Ralph Goodale, had placed one foot in the grave by being made leader of the Saskatchewan Liberal party. I would think that if the Liberals are so proud of their former members, they would give us a list of what they have done to all of them.

• (1510)

The theme song of this government is a very old tune; it is called "Roll Out the Barrel". If it comes to rolling out—

Madam Speaker: Order, please.

Mr. Collenette: Madam Speaker, the hon. member has asked this question before and I have assured him that I am getting answers. I would like to point out that of the over 2,000 answers we have provided to date, the hon. member for Leeds-Grenville has been the recipient of the greatest proportion. I am sure he would not want to convey the impression that he is ungrateful because today, out of the eight questions answered, five were in the name of the hon. member for Leeds-Grenville.

Mr. Blenkarn: Madam Speaker, I rise on a point or order. I want to draw question No. 588 on the Order Paper to the attention of the parliamentary secretary. I asked this question on April 18, 1980. It concerns the cost of the Metric Commission and its operating expenses in 1979 and since its inception. That should be an easy matter of public record. I would appreciate the parliamentary secretary directing the officials to give us an answer as soon as possible.

Mr. Collenette: Madam Speaker, I will undertake to do that.

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, I ask the government House leader's pardon if we are getting up on the same point. There have been some discussions about the length of speeches today. Although I am not completely happy with what we have agreed to, I believe there is an understanding that the speeches for the first part of the debate be under Standing Order 31, which will give the Prime Minister (Mr. Trudeau) unlimited time—that is an awful thought—and would also give the hon. member for Kingston and the Islands (Miss MacDonald) unlimited time. It would then give the hon. member for New Westminster-Coquitlam (Miss Jewett) 40 minutes. We understand that the Secretary of State for External Affairs (Mr. MacGuigan) also wishes to speak. Even though he is the mover of the motion and is not the lead-off speaker, we would be willing to permit him to speak for 40 minutes. Our hope is that after that all speeches could be reduced to 30 minutes, or even to 20 minutes.

[*Translation*]

Mr. Pinard: Madam Speaker, I was wondering whether you would recognize me. It is true that Standing Order 31 notwithstanding, we have agreed that speeches would only last 30 minutes instead of 40 minutes. However, I want to clarify a point following the comments of the House leader of the New Democratic Party. The Secretary of State for External Affairs, even though he is the sponsor of the motion, does not, with due respect, have to speak first. The Chair recognized that last week. He could speak later during the debate for an unlimited period of time. However, we have agreed that he will speak for 40 minutes today.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I wish to confirm the discussion and the agreement.

[*Translation*]

Madam Speaker: Order. It will be done as ordered by the House.

GOVERNMENT ORDERS

[*English*]

NORTH-SOUTH RELATIONS

REPORT OF PARLIAMENTARY TASK FORCE

Hon. Mark MacGuigan (Secretary of State for External Affairs) moved:

That this House take note of the present state and future prospects of Canada's international relations and endorse the broad thrust of the report of the Parliamentary Task Force on North-South Relations.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is obvious to all of us that our world has become unpredictable and unstable. We would also agree that it has become more dangerous. Mankind is living in a state of more or less extended crises. Violence and disorder have become banal. Injustice no longer causes indignation.

This global instability has many causes. There are many more countries in the world community than there used to be, and each is vigorously asserting its own particular needs and ambitions. Economic problems and international disputes have increased in both number and severity. While the superpowers have grown stronger, they often seem to have lost control over events. We have seen international law and economic systems break down more frequently, causing people to believe that things are out of control. There is a generalized condition of crisis expectation.

We usually think of crisis as a sudden shock, as a surprise, a burst of violence, an invasion. Obviously, the world needs to prevent such incidents when prevention is possible, and to contain them when they occur.

It must be understood, however, that such incidents usually result from pent-up tension. They are the flash-points of deep-seated problems. If the world hopes to prevent such shocks, we have to deal with the basic conditions which cause them. The only effective way to manage a crisis is to go to its roots.

Unfortunately, a succession of jarring events can so monopolize the attention and energy of governments that they neglect to deal with the persistent, underlying problems in world affairs, thus guaranteeing more shocks in the future. Effective management of crises means getting at the basic causes of the conditions we deplore, and really changing them. The challenge is extremely complex and difficult, but not hopeless. If we can muster the will to do the job, it can be done.

The necessary strength of will and sense of common purpose which is required of the industrialized democracies will not likely be forged out of any perception of immediate physical danger to ourselves, posed by the anger and frustration of the suffering peoples of the world.

The starving refugee lying in the hot dust of the Sahel can scarcely summon the strength to help himself, let alone strike out at us. If his children survive they will remember us, and with fury in their hearts, you can be sure. But that is a threat for another time. It does not frighten us into action today.

[If the more powerful countries are to summon the will to respond in a more effective way, and with greater unity, to the problems of a chaotic world, it will be because of two things: first, a decision to give practical application to the human values which we in the West say we hold in common; and second, a better understanding of the less noble-sounding but no less compelling imperative of our own self-interest.]

What are these values that we hold in common? Surely the most basic is freedom, the freedom of individuals and of nations, the political freedom which distinguishes East from West, the freedom of the market system upon which our economies are based. The freedom of which I speak is not an abstract concept divorced from our daily lives, or reserved for patriotic speeches on national holidays; it is the very foundation and life-giving spirit of the societies which we have built in the various countries of the West.

[Within our own borders we have long realized that there can be no freedom for some without freedom for all. An assault against the basic rights of my neighbour inevitably places in jeopardy my own rights, my own security and freedom. We have little trouble accepting the truth and the implications of that statement within our own borders.

We have more trouble in giving a modern answer to the very old question: Who is my neighbour? Is she the woman rummaging for food in the back streets of an Asian shanty town? Is he the man in South America in prison for leading a trade union? The people dying in Africa for lack of medical care, or clean water, are they my neighbours? What about those who are dying in the spirit in the villages of India for lack of a job, or an education, or hope? Are my neighbours the children running from the sound of gunfire in the streets of Beirut?

• (1520)

If we, the peoples of the North, say yes, then we will act; we will act together to keep hope alive. If we say no, then they are doomed and so are we.

The urgency of those problems constitutes one of the major reasons why this government has been eager, as has the New Democratic Party, in arranging time for this important debate on Canada's foreign policy.

I began, Madam Speaker, by saying that we live in an unstable world where we no longer enjoy the comfort of being able to predict future events with a fair degree of certainty. Though political and economic instability may be most visible in the Third World, we must remember that all the great problems of the world are interrelated. The problems of East-West and North-South relations, of energy, nuclear proliferation, the Atlantic alliance, the law of the sea, the environment, refugees and sporadic outbursts of violence and war—all of these form a complex of cause and effect.

There will continue to be shocks and confrontation between cultures and technology, between rich and poor, between generations, even between neighbours, as the world community attempts to live more successfully with the one predictable factor on our planet, the inevitability of constant and rapid change. That is the theme of my remarks today: the management of change, the management of the crises which change can represent.

These are troubled times for the world. Economically, the eighties and nineties will not have much in common with the fifties and sixties, when we became convinced that rapid growth was as certain as the sunrise. Now, after having been psychologically conditioned to expect constant expansion, countries have to learn to manage the experience of economic compression.

That is another example of the instability which we must learn to manage. It will surely be one of the major preoccupations of the summit meeting here in Canada next month. In that perspective, the Ottawa summit could be more crucially important than any of its predecessors.

The impact of a summit on world problems is not immediate, largely because it is not meant to be a policy-making occasion. Its great value is that it permits the leaders of the principal industrialized democracies to share their analyses of problems, to strengthen their sense of common purpose, to assess where they can come closer together or move forward together.

Originally, the subject matter, as we know, was limited to economic issues. More recent summits have turned also to international political issues. The Ottawa summit will undoubtedly continue this trend, if only because of the preoc-

cupations of the leaders themselves. Our meeting will derive added importance from the fact that most of the participants will be gathering together for the first time.

The international press will probably place a lot of emphasis on the ideological differences of leaders who stand on the right, or the left, or in the centre. It is true that the electorates of various countries have been sending very different signals to their respective governments. But I do not expect that we will be overly preoccupied at the summit by our differences; I think that we will be trying to chart a common course, whether on North-South questions, on approaches to East-West relations, or on international trade, for example. We shall be trying to identify the broad areas where our countries can proceed together toward shared goals, transcending the differences among our national policies.

All of the summit participants know that the world looks to them for leadership. From the Third World, the look will be skeptical. But I believe leadership is emerging, and that it will be sensitive to the priorities of our times. The test of the summit, therefore, should not be whether we come out of the meeting with specific decisions. The true test will be whether all summit participants believe that we are defining together the best approaches to the great issues of the day, based on the objectives and values which we share in common.

This summit will be not only of the most difficult ever held, but will also be intentionally different. It is designed to be relatively unstructured, so as to give leaders the maximum opportunity to discuss the broad themes of crisis and opportunity, and how both can be effectively managed.

At Venice last year we agreed that we had to get back to these basic issues of international life, so as to strengthen our sense of common purpose. We are attempting, therefore, to free ourselves from a set agenda this year. It is for the same reason that the meetings are being held in the relative seclusion of Montebello.

[*Translation*]

The most fundamental problems we are up against at the international level are tied up with the instability of our economic and political environment. And the management of the various economies of the industrialized world is not the least of those problems.

Right now, the western industrialized nations must cope with slow rates of growth, high levels of unemployment and rampant inflation. On top of that, due to the variation in the exchange markets, in recent weeks the European currencies suffered unprecedented devaluations as compared with the American dollar.

That devaluation of European currencies, coupled with the over-all increase in interest rates, adversely affects the economic growth of several countries which will take part in the summit. It is now feared that the expected economic upturn may be delayed at least until early 1982.

Certain participants in the summit, including Canada, are worried about the negative international spin-offs of the American domestic policy and about its consequences on interest rates for instance. The role of the summit is to ensure that the various national policies aimed at common objectives are not incompatible and counterproductive. Any action by a country must be undertaken while keeping in mind its impact on other nations. That implies first an awareness of the economic and political situation of the partners and then a decision to co-ordinate the efforts so as to minimize the conflicts and the negative spin-offs.

[*English*]

Another source of great instability is the state of East-West relations. Here there is no denying some basic facts. The Soviet Union has invaded Afghanistan, implicitly threatening all of the countries of western Asia and ignoring the call of the Third World to get out. In addition, there is no denying that the Soviet Union has both expanded its military presence in the oceans of the world and increased dramatically the weaponry which is arrayed against the West.

These challenges constitute another more traditional form of crisis to be managed. Western countries must develop the means to take a united stand, so that in the event of a direct threat, there will be a swift and concerted response, in the defence of our own interest and the interests of those countries which look to us for strength and support.

Personally, I believe that the good sense of Soviet leaders will prevail. I believe they will not feel themselves so threatened by events that they have to respond to the challenge of change by the force of arms. We all watch the crisis in Poland. The Soviet Union should know that recourse to arms is a losing game, for them and for all the world.

• (1530)

[*Translation*]

That being said, unfortunately we must act in the full knowledge that we are living in a dangerous world. Our security and that of the western alliance must rest on reality and be credible in our own eyes and in those of others. Experience over the past five years has shown the fragility of the "détente" as a basis for East-West relations. But I believe that the events in the coming months and years will determine what will be the next phase of the East-West relations. I think that all the countries involved recognize that we all have a stake in stabilizing those relations, particularly the southern nations which ought to be kept clear of the tensions between the eastern and the western worlds. But the U.S.S.R. is a superpower which claims the right to be heard on the same terms as its rival on the problems which affect any region of the world. The Russians claim that right for reasons of national interest but also, obviously, for reasons of an ideological nature. Consequently there is a potential element of rivalry among the superpowers in every troubled area of the developing nations.

One of the shortcomings of détente is, paradoxically, that it was conceived in a relatively balanced and stable European

context. Even though this concept was firmly implanted in Europe, its value had never been fully tested outside the continent. Now it has become obvious that this concept is even harder to implement outside Europe. More serious still, the tensions arising from the failure of détente in Third World countries have had an impact on the main scene of the action between East and West, namely Europe. It has become clear that East-West relations cannot follow certain rules in some areas of the world and totally different rules elsewhere.

Is there no way out? There are some conditions more conducive to improved East-West relations that come to mind. The role of superpowers cannot be denied, but it must not be exclusive. To survive, détente must be recognized as indivisible, yet it is a fact that it is interpreted differently in the western and in the eastern allied countries, as well as the developing and non-aligned countries, which, of course, has been a constant source of misunderstanding. The policy to be followed is to refuse to involve developing countries in the military rivalry between East and West, as this would only aggravate tensions in this no-win situation in which neither North nor South would win.

It is in the best interests of the Third World that developing countries not become involved in the competition between East and West. That is exactly what Tito and Nehru were trying to achieve through non-alignment, and we can only hope that the movement of non-aligned countries will return to its basic philosophy. Western countries must re-examine their relations with the U.S.S.R. in order to promote stability throughout the world. A strong military alliance is essential to the achievement of this goal.

We must also recognize that a good *sine qua non* condition of stability would be a basic agreement between the superpowers. In this respect, the superpowers must reactivate the best arrangements between the United States and the U.S.S.R. in the early seventies, when the "red phones" were installed and when the world could rely on a basic compatibility of interests between the two countries.

We will also witness an increased number of crises which, should the worst come to the worst, could degenerate into an all-out confrontation between the superpowers. Moreover it seems that a large proportion of these crises will arise in the undeveloped areas of the world, where the West has provided no set of arrangements to protect its own interests such are those between North America and Japan or Western Europe. We would be well advised, therefore, to ascertain what are the means at our disposal to meet crises everywhere and especially in Third World countries, where the interest of the Western world would be at stake.

As far as Europe, the principal theatre of confrontation between East and West, is concerned, we are in a position today to reply to this question with more confidence than we were a year ago. This is not due so much to a lack of tension in Europe, but rather to the fact that at least the political consultation process within the NATO allies has greatly improved to meet the challenges of the future. The willingness of the allies to develop a concerted strategy to deal with East-West relations in Europe has increased. The policy of reinforcing NATO defence preparedness, while proposing again to the Soviet Union to negotiate the arms limitation agreements, is supported by the whole organization, as confirmed by a recent meeting of NATO ministers. Thus, NATO remains an indispensable instrument to the maintenance of cohesion and strength which ensure stability and balance in Europe, which is clearly in the interest of the West. And the Soviet Union, in spite of its open criticism of the organization, would undoubtedly concede that stability and balance in Europe rank among its higher priorities.

It is more difficult, Madam Speaker, to feel confident about emergency arrangements made for situations that arise outside Europe. Neither East nor West is on its own territory there. The rules of the game have not been established. While a few firm lines have been drawn, such as in the Gulf area, the situation remains ambiguous, and this ambiguity can be dangerous. Western leaders must continue to ask themselves what is the best way to protect western interests in these areas while respecting the sovereignty of the countries involved. East and West must try to redefine a mutually acceptable code of behaviour for international relationships, but before this can be done, an answer must be found to the crisis in Afghanistan, whose invasion goes against everything that the western world as well as the Third World consider acceptable.

The Ottawa Summit should provide the opportunity for western leaders to bring into line their general views on this matter. This is undeniably a concern which should come foremost on the agenda of any meeting on international affairs. The prospect of a new arms race when billions of people are starving to death is truly shocking. If we decided to use for peaceful purposes the amounts we spend in two weeks for military purposes, we could provide drinking water and basic health care to the population of the entire world. However, people feel the need for even more protection, and an increase in our military spending to offset the increased amounts allocated to armament by the U.S.S.R. seems inevitable for the moment. It is up to the western world to find an answer to this serious problem, if possible in consultation with the Soviet Union.

Moreover, SALT negotiations should resume as soon as both parties have enough confidence in each other to conduct such talks effectively, and I must say that the sooner, the better. Putting an end to the nuclear arms race involves tremendous difficulties. However, the Government of Canada still believes that as discouraging as these difficulties might be and as small as any immediate chance of progress might seem, the superpowers must be urged to reflect with all due gravity on the consequences of a resumption of nuclear escalation. The government still firmly believes that the nuclear arms race

must be stopped and reversed, and that a new balance must be sought to increasingly lower arms levels. The stifling strategy which I suggested at the first special session of the UN on disarmament in 1978 remains valid in this regard. Nothing has occurred in the meantime to weaken my convictions on this point.

The Canadian nuclear safety policy, revised in 1974 and 1976, sets high standards. However, we apply it pragmatically in a spirit of respect for the sovereignty and sensibilities of our partners in the nuclear field. We shall continue to refine this policy so as to develop an effective national system of non-proliferation and guarantee as much as possible that Canadian nuclear exports do not contribute to nuclear proliferation.

● (1540)

[*English*]

I have spoken about the global macro-economic situation, which affects all our lives, and about the decline in the state of East-West relations, which also affects us all. Less understood is the potential impact of North-South tensions on Canada and other industrialized countries and the need to give priority to the management of that latent crisis.

The first step should be to understand what we mean when we refer to the North and to the South. One can legitimately question whether there is a distinct North and a distinct South in every sense. Within the Third World there are as many differences as in the world itself. From the outset it needs to be emphasized that the South is not a homogeneous group of countries. It contains countries with the highest per capita income in the world and those with the lowest, countries with the fastest growth and those suffering negative growth, countries with the world's biggest financial surpluses and those with the greatest deficits, countries with abundant natural resources and those with none and countries with sophisticated, modern industrial economies and those with rudimentary, tribal, agricultural societies.

Yet the South is not a myth. It is a group of countries, most of them former colonies, held together by a shared perception of their status in relation to the rest of the world. In their view, solidarity among themselves is the way to exert countervailing power against the weight of the industrial North. Their vision of a new international economic order proceeds from their common view that the old rules have nor permitted equal opportunity or an equitable sharing of the fruits of effort.

They are right. Justice is on their side. But even if we were not moved by justice, common sense and self-interest should tell us that if we want growing markets for our products, an orderly global economy and peace in the world, we should support reform. We should enhance the growth of opportunities of the South, selecting the best bilateral and multilateral techniques to do the job. That effort should include a process of global negotiations.

The picture today is not one of unremitting gloom. Since World War II living standards in many Third World countries have improved dramatically. New economic power centres are emerging. The newly industrialized countries must find the markets and the means to permit them to develop.

Some countries of the South are growing stronger every day. Let us help them grow. But there are other countries, the poorest of the poor, which are struggling just to survive. Their situation will be critical for as far ahead as the eye can see. Eight hundred million people live on the margin of human existence. They live with overwhelming deprivation, with despair and in a state of perpetual crisis. The management of this crisis is a test of both the humanity and the credibility of governments in both North and South.

The best tool with which to help the poorest is outright aid. We have to assist them to develop the potential to feed themselves and provide for other fundamental needs like health and shelter. It is a ghastly cynicism which pretends that international co-operation cannot bring these lives closer to minimum standards of human dignity.

The overwhelming fact which governments must face is that international aid efforts are inadequate. The gap between rich and poor is not closing but opening wider, in spite of everything that has been done.

The Canadian aid record can be improved and is being improved. My government is committed to that. But I do point out that we have made a lot of progress since the sixties. Our efforts have done a lot of good, and we have won ourselves solid friends in the world. In Canada and throughout the developed world there is a need for even greater public involvement—not just through round table discussions among the knowledgeable and already involved, but in communities and schools—so that growing public support will encourage governments to do more and to do it better.

I firmly believe that the world can and must grow enough food, provide clean water, decent housing, health care and real hope for all its people. It can be done, but it will require a gigantic effort. That is the message of the Brandt commission, reflected eloquently in the report of our parliamentary task force on North-South relations. I congratulate the chairman of that task force, the hon. member for Gloucester (Mr. Breau)—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and the members of all the parties in this House who contributed to that most compelling report.

Some hon. Members: Hear, hear!

Mr. Trudeau: Its message is one which the government can endorse and support.

I believe that despite bleak political prospects for greatly increased aid flows from the recession-prone North, reason will prevail and a major assault on world poverty can still be launched in earnest.

The need to assist the poorest is one emphasis of Canada's efforts in international co-operation. But the primary need of those countries with growing export potential is, as the slogan says, "trade, not aid". These are the countries which are

arguing that the world's economic structures work inherently to their perpetual disadvantage. The process which is required to redress their grievances involves the sharing of power, not power in the classical sense of armies and empires but in the sense of access to the means of development. Gaining that kind of power means gaining access to the international institutions where the decision-making process should take greater account of developing countries' specific difficulties: access to international capital markets, greater security in commodity prices and access to technological skills and to markets for manufactured products.

Other specific and urgent needs will require the concentrated attention of governments as well. Energy and agriculture are priorities because of the severity of the impact of energy costs on oil-importing developing countries and because of the danger of food production not being able to keep up with population growth.

I do not expect a sudden breakthrough toward solutions in the series of important international meetings scheduled for the coming months, but I do expect a better political focus on the major priorities. I do not expect that the world's sense of crisis will be entirely eased by whatever collective response we make to the problems of development; but I do think that the basic economic causes of instability in the Third World can be successfully attacked through a co-operative international management effort.

I have spoken of Canada's role and purposes in world affairs. I have spoken particularly of the compelling need for progress in North-South relations. I have placed the issues involved in the context of the need for the international community to mobilize itself to manage crises more effectively. The summit meeting in Ottawa in July will have a particular importance in determining our collective ability to deal with the problems I have described.

● (1550)

Those are the issues that I wanted to discuss in the consultations I have undertaken in the last several months with the leaders of some key developing countries. I considered it important that the views of major nations such as Brazil, Mexico, Saudi Arabia, Algeria, Nigeria and others I have visited, be taken into account by the summit leaders. I am very conscious of the Canadian role and interest in these matters. Canada alone cannot come up with viable solutions. But we can contribute to them. Moreover, we need to strengthen relationships with a variety of countries whose interests in economic development correspond to our own. These include the countries I have visited.

For Canadians, the state of the world is of deep importance, and not least because a healthy international environment is vital to Canadian economic growth. We need stronger economic links not only with developing countries but also with our summit partners. Fundamentally, it is these economic partnerships which will stimulate the pace of development, both here and abroad.

I have not covered all aspects of our foreign policy, Madam Speaker. Many other vital Canadian concerns will be addressed by my colleague, the Secretary of State for External Affairs (Mr. McGuigan), later in this debate and by other members sitting on this side of the chamber. I have sought to focus the attention of the House on those areas of crisis and of opportunity where the most basic interests of our people, as human beings and as Canadians, are at stake. I have done so with confidence that Canada will rise to the challenge of our times, and in so doing will contribute to justice, stability and peace in this still wonderful world.

Some hon. Members: Hear, hear!

Miss Flora MacDonald (Kingston and the Islands): Madam Speaker, I am very pleased today to be able to take part in this critical and important debate, and I say to the Prime Minister (Mr. Trudeau) at the outset that I appreciate his sharing with us the plans and preparations for the summit meeting to be held next month. I listened with care to his discussion of the management of crises and the management of change and how they apply to both East-West and North-South relations. I had hoped, however, that perhaps he would have been more specific in dealing with the responses that Canada would offer to certain of those crises which now confront us, and as a result I shall be raising questions which I feel have not been adequately dealt with.

As we try, Mr. Speaker, to grapple with the broad sweep of Canada's relations with other states, it is striking that this government has provided no comprehensive statement of policy to give direction to or to increase the understanding of Canadians. As welcome as this debate, no single speech or series of speeches can substitute for the evaluation in a comprehensive way of what our foreign policy is.

The last white paper on defence was exactly ten years ago. Indeed, the last comprehensive review of foreign policy was more than ten years ago and it is now entirely irrelevant to the conditions of international politics. The last aid strategy paper was for the years 1975 to 1980, and in the absence of any successor document must we assume that there is no strategy for aid for 1980 to 1985?

I am therefore delighted, Sir, to see that one of the recommendations of the North-South task force is that the government carry out, and I quote:

—comprehensive evaluations of the impact of its policies on developing countries.

Now, I would say, Sir, that we should go further than that and suggest that we also require a comprehensive evaluation of the over-all direction of our foreign policy, the kind of evaluation we have not had in the past ten years. That evaluation, when completed, should be submitted for debate to the Canadian Parliament.

Let us be clear what the central issue before us is. We have entered into a decade which will be marked by great transformations in international politics and in our foreign policy. I would like to think that, with the decade of the 1970s behind

us, the inward-looking defensive attitudes that characterized Canadian foreign policy in that period are also behind us.

[*Translation*]

How unfortunate it would be if we do not have new ideas or new policies to meet the challenges facing us in matters of international policy, and if we always have the consensus of the western countries before acting to solve international problems. In some cases, we should try to act as a responsible member of the western alliance, that is, as a member who can be depended upon. In other cases, we must be willing to act on our own initiative and, as the task force indicated, in keeping with our well-established tradition of contribution and leadership in world affairs.

[*English*]

Let me turn first, Mr. Speaker, to some basic considerations about our role in NATO, although this will be dealt with in more detail by the hon. member for Victoria (Mr. McKinnon). It is clearly true, Sir, that at the heart of our foreign policy is the commitment to the collective defence of the western industrialized democracies. During the past decade, after a rather shaky start Canada has reconfirmed its commitment to NATO and bilateral defence arrangements with the United States. After considerable political and diplomatic effort, we have also found our place in the highest council of the West, the economic summit of the leading international states. These are vitally important undertakings. I accept without reservation that we must play an appropriate part in collective defence, and that we cannot influence our friends if they believe that we are failing to do our fair share.

The government of which I was a part made it clear to our NATO partners that Canada could be counted on to re-equip and strengthen Canadian forces in Europe and to make our contribution to joint endeavours such as the airborne early warning system. While I accept the importance of these obligations, I wonder now to what use we are putting our membership in the alliance. Surely it is not enough to lie low and always wait for consensus of the other nations to emerge. Yet that seems to be the policy of the present government. Where do we stand, for example, on questions of arms negotiations with the Soviet Union? The Prime Minister dealt with this in part but not in specific detail.

I would like to know what suggestions Canada has to offer which might further the success of that enterprise. What is our response to the Soviet build-up of forces in central Europe; and, I ask how do we intend to play our part in the western commitment announced at the recent NATO meeting to require restraint and reciprocity on the part of the Soviet Union?

Imposing some restraint on the Soviet Union has never been more necessary than at present in regard to Poland. The ominous Soviet moves in the last week have once again underlined the gravity of the situation. Nothing is more threatening to the process and future of détente. It is therefore incumbent upon us to persuade the Soviet Union, in every way open to us, to refrain from an attack upon Poland.

• (1600)

Poland is a signatory to the Helsinki declaration on which we have placed so much emphasis in our foreign policy toward eastern European countries. It will not be enough to condemn mildly a Soviet invasion after it occurs, as happened in the case of Afghanistan. The NATO allies must individually and collectively use every instrument and every channel of diplomacy to induce restraint on the part of the Soviet Union. Our wish is that the Poles be allowed the possibility of determining their own political future.

Unhappily, the post-war history of Europe has seen the acceptance of a Soviet sphere of influence in eastern Europe. But this cannot mean that we are indifferent to the fate of Poland; nor is it the case that we are without influence on the Soviet Union.

What we require is a collective allied determination to exert that influence to the utmost, so that we help preserve the limited freedom of action which the Poles have struggled so hard to achieve. We should not believe we can achieve that only through quiet diplomacy. It requires the expression of open public concern, and that has been in short supply from this government.

While we do our part to help the people of central Europe, we should also remember that we have an overriding interest in the pursuit of arms control and disarmament. What has happened to the government's initiative on disarmament announced in the Speech from the Throne? Yes, we have an ambassador for disarmament, but what opportunities has he been given to advance new policies or to publicize the issues?

Over the years I have been impressed by the number of committed, serious analysts of foreign policy who have come to the belief that dramatic steps must be taken to curb the growth of the arms race. Most recently, in an article in the *Wall Steet Journal*, George Kennan, the most distinguished of American analysts, pleaded for a new approach to the problem of controlling nuclear weapons. He asked us to put aside the fine points and technical arguments which invariably lead to the demand for more weapons. He suggested that the United States should approach the Soviet Union and, in all sanity, seek out the common interest in reducing the destructive power of nuclear arsenals.

Where once, in the 1950s, several hundred nuclear weapons were thought to constitute a massive deterrent, it is now the case that thousands of warheads are deployed by both superpowers. Thousands more are being built, and still both superpowers are apparently insecure and uncertain about their own capabilities and, indeed, the capabilities and intentions of the other side.

It is clear that some within the Reagan administration in Washington would like to see arms control policies delayed, but that is no reason for us to abandon the task as well. Indeed, it places a greater obligation upon us to seek out new policies and to keep interest alive in what is ultimately the most fundamental task ahead of us.

What I look for, then, is not the weary observation that arms control measures will be unfashionable for the next four years, but rather some greater commitment of resources and interest by the Canadian government which will focus attention on this politically catastrophic situation. It is not an issue which can be ignored. If the superpowers want to ignore it, then our task may well be to insist, through the strength of our ideas, that they return to it.

Let me now turn to the related problem of regional instability. At the recent NATO council meeting it was agreed that the NATO members would co-operate and consult in regard to matters of regional instability outside the NATO area, but there would not be a formal extension of NATO's area of responsibility. This leaves us squarely with the decision as to how we Canadians intend to respond to problems of regional instability. Canadians should be aware how directly important to Canada is this question.

We are now seen by others as a country with an energy exporting potential—that is, if the National Energy Program does not fritter away our potential. Since crucial problems of regional instability involve the disruption of energy supplies, it is clearly the case that no serious international conflict will be without repercussions in the country.

The prospect of such international conflicts are great. It goes without saying that they exist in the Persian Gulf and the Middle East; they exist in Africa, where there could be increased military intervention by regional and outside powers. As recent experience has indicated, we know that they exist in the Caribbean and Central America, where the issues come a good deal closer to home for Canadians. How are we to contribute to the stability of such regions? In regard to the Middle East, it is surely important that we do not follow the American lead without carefully considering alternative strategies.

What is the government's position—and it has not been spelled out—in regard to the American-sponsored force in the Sinai? it is time to recognize that our distinguished long service with United Nations peacekeeping missions earned us enormous good will around the world. Before we ignore that tradition and participate in an American selected force for the Sinai, we should ensure that every means to bring the force under the auspices of the United Nations has been exhausted. Has the government done that? If so, let it explain what it has done and what is the present position. And let us in the process reaffirm a fundamental commitment to the peace and security responsibilities of the United Nations.

In other regions we must recognize that there may be a serious conflict between the security interests of the United States and the economic and social development of the region.

For example, in the Caribbean, in Central America and in Africa, the United States has served notice that it sees the Soviet Union as an interventionist power and intends to oppose populist movements on the grounds that they are sponsored by the Soviet Union or other outside powers. Here is yet another case where it will be vital for Canada to determine its own interests and its own interpretation of events. If we have the capabilities to help stabilize a region or a friendly country, then on what grounds will we choose to exercise those capabilities? We have not even begun to debate that question in Canada.

At a recent meeting with President Reagan, President Lopez Portillo of Mexico indicated that on a range of issues Mexico was anxious to co-operate with the United States, but that in respect to other matters, particularly those involving the interpretation of political and social developments in Central America, Mexico disagreed with Washington and intended to pursue its own policies. Canada should be no less determined to pursue its own foreign policy in that region.

• (1610)

Why is it so difficult for us to indicate our areas of disagreement and to take appropriate action in pursuit of our own views and interests? The recent and continuing case of El Salvador is surely to the point. We see an ongoing story of violence, assassination, and the all too familiar flow of political refugees into neighbouring states.

Are we really without the means to judge the causes of this problem? When this question was debated in the House earlier this year, members on this side impressed on the government that the basic problem was not one of intervention by the Soviet Union, but rather a class conflict rooted in the extreme inequalities of the El Salvadorean society, inequalities which the military junta is only too willing to accept and protect. In the past we have been involved in helping to absorb and relocate large numbers of refugees from societies fraught with conflict similar to that found in Central America today. Can we really then say that the situation in El Salvador is irrelevant to us? I regret to say that the response of this government to the plight of the El Salvadoreans, and to the situation in Central America, has been timid and grossly inadequate.

Regional instability has yet another aspect which has been brought home to us in the last week in a truly historic and startling manner. The Israeli attack upon the nuclear reactor in Iraq is the clearest evidence yet that nuclear proliferation is a potentially catastrophic development on this planet. We do not need to determine the rights and wrongs of that particular situation to understand that, for the first time, one state has judged that its security requires a military attack upon the nuclear installations of another. Other states will now surely follow suit. Without a doubt, we have crossed a threshold in nuclear proliferation. The spectre that the spread of nuclear technology hastens the incidence of nuclear war is clear for all to see. I want to repeat and underline that the spectre that the spread of nuclear technology hastens the incidence of nuclear war is now clear for all to see.

As a nuclear exporting state, Canada has an overwhelming responsibility to take whatever steps are necessary and possible to control the spread of nuclear weapons technology. For many years I have been a strong advocate of stringent safeguards on the sale of nuclear technology. Nothing short of a dramatic effort by the United States involved in the sale of nuclear processes will now bring this problem under control.

The two states that sold nuclear technology to Iraq, France and Italy, are participating members of the summit in Ottawa next month. That summit will bring together the leading exporters of nuclear technology. Could there be any more appropriate subject for discussion at the summit than the problem of nuclear proliferation? We must assume collective responsibility for this problem. If we cannot use summit meetings to stress the urgency of a response to this potential disaster, then it is hard to know what the utility of these meetings can be.

There is a stark choice before us, and it is this: Are commercial interests and competition to win the day, or will we co-operate in an effort to control nuclear proliferation? Indeed, we shall watch with a sense of concern and urgency to see if the summiteers confront this situation.

In discussing international conflict I have not so far raised the question of human rights. But the plight of political refugees in Central America and elsewhere in the world raises this next area of concern about our foreign policy.

[*Translation*]

Less than two years ago, we had to face the massive arrival of Indo-Chinese refugees. They became an enormous challenge for Canada which had to live up to its international reputation of a country sympathetic to the refugee problems. I am pleased to say that all levels of government acted with generosity and openness. However, it should be acknowledged that such events put our resources and organizations to the test. Consequently, we should entirely review our policy on human rights as well as our capacity to respond to emergencies involving refugees.

[*English*]

For example, at the national level we should now be considering ways to monitor more closely situations of instability and of human rights violations, having in mind, among other things, their potential for generating massive refugee movements. We should also consider whether our resettlement plans are sufficiently flexible to allow the forward planning necessary to deal with the nature and scope of the problems likely to arise. And as we consider our capability in this regard, we should also be examining the co-operation of governmental and private groups, for it is clear from the experience that we have had, that the support of private groups is essential to the successful relocation of refugees. Those are things we can do at the national level.

At the international level we should recognize that the United Nations covenant on human rights, drawn up in 1951, is now quite inadequate. Indeed, the very definition of a refugee is no longer pertinent when it does not apply to the displaced Thais or fear-ridden Cambodians who are internal refugees in their own countries. As I argued in my speech to the 34th session of the General Assembly, the United Nations must find better, more certain ways to deal with gross violations of human rights, no matter where they happen.

We must be able to take effective action immediately, not years after the abuses occur. And to achieve this, it must be recognized that wholesale abuses are not now the unfortunate byproduct of a war situation, but, with disturbing frequency, are used as a deliberate instrument of government policy, as in Kampuchea, Viet Nam and Uganda.

A corollary need, Mr. Speaker, is to establish both national and international agencies to monitor the distressingly large number of disappearances of individuals in the world. A knowledge of these disappearances is the essential prerequisite if the governments responsible are to be held accountable. Only a major collaborative effort will permit pressure to be brought to bear to prevent these large-scale assassinations.

Moreover, as we examine the role of human rights in our foreign policy, it will again be necessary for us to understand that our policy may not be compatible with that of the United States. Surely no one can have missed the thrust of President Reagan's policy on human rights. As we have seen in the last few days, there was an attempt to obtain Senate approval for the appointment of Ernest Lafever as assistant state secretary for human rights, a man who is on record as favouring a two-side approach to human rights. His idea is to criticize and condemn publicly all Soviet left-wing violations of human rights, but to use quiet diplomacy with those right-wing governments which are guilty of violations.

We must reinforce and let it be known that a cornerstone of Canadian foreign policy, declared and open, is that human rights are human rights. Let us monitor the violations and raise our voice in protest against them with scrupulous fairness and with total indifference to the political nature of the government which practices the violations.

The resolution before us today also asks us to endorse the broad thrust of the North-South task force. I do not intend to dwell at length on this important question, for my colleague, the hon. member for Edmonton South (Mr. Roche), who was a member of the task force, and, indeed, its co-chairman, will take it up at greater length later in the debate. But in light of the comments that I have made on the need for clear initiatives in foreign policy, I think it is important to note that what we need is not simply agreement with the broad thrust of the task force report, but commitment to those recommendations the government has accepted and which will be elaborated upon later in this debate.

● (1620)

We all understand the severe difficulties that are involved in any partial restructuring of our national economy and of the international economy to meet the needs of Third World countries. But it is also clear that in the decade to come we have an absolute obligation to make this effort.

For the very poorest countries, who are becoming progressively poorer, we need to make greater efforts to provide them with minimal economic security and with the capital transfers that are a prerequisite to their economic development.

To those Third World countries who are successfully developing, the newly industrialized countries, we in the North need to show imagination and courage in finding the trade relationships which will be to our mutual advantage. For this

will lead not only to mutual economic improvement but to the enrichment of our social and cultural life.

I am pleased the government intends to place North-South issues on the agenda of the summit. But I must also register my dismay that it has taken it so long to express its concern for this issue. After all, it has been on the international agenda, at least on the agenda of those countries of the South, during the whole of the tenure of the present Prime Minister. His recognition of this issue, though belated, is welcome.

However, it is not sufficient—and I say this is all seriousness—that the travel to Lagos, Brasilia, and Algiers to address this question, important though those visits are. When has he explained it to the steelworker in Hamilton, or the housewife in Regina, or the textile worker in Shawinigan? The greatest selling job needs to be done here at home, a task largely ignored to date.

By choosing to make North-South issues one of the focal points of our foreign policy in the decade to come, we will be taking a large step to define the areas in which we intend to concentrate our efforts. In my comments today I have sought to point to some of those areas. It should be clear that our foreign policy cannot simply be a series of well-intentioned, high-minded actions. We must protect our economic and security interests by close co-operation with our like-minded allies in western Europe and North America. We must be sure that we take the appropriate steps to play our part in those allied activities which establish the common purpose and common interests of the West.

On the other hand, each state, however much committed to the alliance, must be free to analyse and respond to the great issues of international politics which lie ahead. Each member of the alliance must be free to choose the areas in which it will take the lead and implement fresh ideas.

Today I have tried to suggest the directions Canada should take. We must ensure that a clear and persistent voice is heard in support of the ultimate objective of arms control in reducing the prospect of the resort to nuclear weapons. We should be willing to lead the way in order to achieve a more effective control over the spread of nuclear weapons through the exploitation of civilian nuclear technology.

I have suggested that we have a traditional interest in human rights that we must apply without favour to all states—yes, including ourselves. And with others, I am enthusiastically in favour of initiatives and long-term policies which will reduce the gap between the rich and poor nations of the world. In emphasizing these initiatives, I do not ignore or disregard the importance of our military contributions to western European and North American defence, or to the protection of our own national interests.

But if we also allow ourselves the opportunity to pursue internationalist policies, then we will not only be returning to an honourable tradition in Canadian foreign policy but will be creating the grounds for popular support of foreign policy, even, perhaps, evoking the admiration of other states.

I want to quote from the task force report, Mr. Speaker, as follows:

> Leadership cannot come from governments alone. It must flow from, must involve all Canadians. The challenge of international co-operation must enter our every-day concerns.

I fully support that view and the parallel recommendation that Parliament be given a continuing mandate to play an active role in overseeing and evaluating foreign policy. The time when foreign policy could be left to the dictates of anonymous bureaucrats is long since past. The success of policy now depends on the co-operation and support of many individuals and private groups. That was the approach I tried to take as minister when I initiated the review of foreign policy through the parliamentary process.

As the task force has so well shown, Canadians, as individuals and groups, have found a forum for their views in presenting evidence to the committees of Parliament. As with the sub-committee on Latin America, Mr. Speaker, I hope to see that process continue and become as an essential element in the renewal of our foreign policy.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I was indeed glad that the Prime Minister (Mr. Trudeau) opened the debate today, the second debate we have had in the past decade in this House on foreign policy. It is only the second. I was very sorry indeed that he did not give to the subject matter the same kind of rigorous thought and attention that he clearly gave to an earlier speech in this House on the Constitution. I do not think that is because the Prime Minister is not interested in foreign policy; I think he is. It is probably because he has not yet decided, nor has the government decided, what route they would like Canada to go. I am sure everyone in the Department of External Affairs would have been as grateful as I had we had something more than vague generalities from the Prime Minister today, whether he was talking about the East-West, the North-South, or a combination of the two, in Canadian foreign policy.

I was particularly distressed, as I was when listening to the hon. member for Kingston and the Island (Miss MacDonald), by the tendency of both the governing party and the official opposition to talk a good line but to do nothing in practice, whether talking about the arms race and our complicity in it, or about the North-South and the absence of any improvement in our own aid policies and assistance policies generally, over the past decade.

I want to say a further word or two about this lest the public be under the impression that both the government and the Conservative party, when it was the government, have policies that are concretely addressed, not to trying to find some agreement in some major council but, to what Canada should be doing explicitly.

I will start with the arms race. It is all very well to say that we do not allow nuclear arms on our territory, although there are still some available at Comox. The Prime Minister reiterates this. Every time we ask a question on the neutron bomb, first strike capacities or the Cruise or Pershing II missiles, he

says, "We don't allow them on Canadian soil." That is very true. We do not export nuclear technology unless it falls within very rigid safeguards.

But fact is that we are up to our ears in arms weapons technology and in arms sales. The Secretary of State for External Affairs (Mr. MacGuigan) excuses this by saying that most of it goes to the United States. As if that made the difference. It is as if the nuclear weapons technology produced by Litton Industries in Toronto, for example, for the guidance system of the Cruise missile is okay because it is going to the United States. Indeed, I expect that some of our uranium and other sales are going to the Soviet Union as well.

● (1630)

In committee I asked the Secretary of State for External Affairs whether or not he was concerned about the horrendous increases in the U.S. military budget. His answer to my question was no. If we turn to page 36:37 for April 2, the secretary of state is reported as saying:

With respect to American increases in their arms budget, I do not really think that is any affair of ours—

Except as it might affect their development assistance. We, and by we I mean the government—and the Conservatives when they were in power—have allowed Canada to be totally involved in the nuclear arms race. They say we are not, but we are, whether it is in the development of the new theatre nuclear weapons in Europe, which they condone, whether it is in the possible development and deployment of a neutron bomb, which they condone, or whether it is selling parts for the new Cruise missile system, which they encourage. In fact, the Department of Industry, Trade and Commerce is anxious to get us even more deeply involved in arms production and arms sales. Yet we have the nerve to say that we are a non-nuclear power.

I do not take the Prime Minister very seriously when he talks about the initiatives he will take to try to bring about arms control talks, arms limitation and arms reduction, when we ourselves are so very deeply involved. Furthermore, I do not think the rest of the world, and I include many democratic-socialist parties in the Third World and elsewhere, is going to take Canada very seriously or does take Canada very seriously when the Prime Minister goes on, as he did today, about the arms race continuing while billions are suffering, while we are so involved and so complicit in that very arms race. The hyprocrisy of the Canadian government's position is unbelievable.

At least the hon. member for Kingston and the Islands (Miss MacDonald) did suggest in her speech that we should be paying more attention to restraints on nuclear weapons development. I know the Conservatives were in power for only a short time, but I saw no evidence of restraint during that period. I remember asking the hon. member when she was minister whether Canada, in the councils of NATO, would join other smaller countries in Europe and protest the possible deployment of the Cruise and Persking II missiles. She answered no, that Canada would not be joining other smaller nations in protesting those first strike weapons going into the nuclear arsenal in Europe. We have watched and we have stood by while the nuclearization of western Europe has been going on all these years. We talk a good fight, but our actions are entirely different.

What might we do? I thought about this many times during the hearings of the Standing Committee on External Affairs and National Defence. First, we could try to have some influence in those military alliances to which we belong, namely NATO and NORAD. As far as I can see, we have not tried. We do not want to try because we are so deeply involved in the nuclear strategies that we are supposed to deplore. We could, lacking any wish or ability to influence those councils, be honest with the people of this country and with other people who look to us and believe, or want to believe, what we say. We could be honest and unalign ourselves from great power dominated military alliances if we really wanted to behave as we say we want to. We could do that.

Every now and again the Prime Minister has suggested that perhaps we could contribute less to NATO. He has, with a sort of small effort, said that if we give a little less, then we will not be so involved or we will not be seen to be so involved. That is a sort of back-door approach. That does not seem to be the case any more. Perhaps it is time for Canada and the other parties to look seriously at whether or not the nuclear holocaust, which we all know perfectly well may be upon us, will be prevented if we as Canadians dissociate ourselves from the great powers that are going to take us into this nuclear holocaust. We should join other like-minded nations and peoples in a genuine peace race. We should get out of the arms race.

Mr. Baker (Nepean-Carleton): Is it your policy to withdraw from NATO?

Miss Jewett: Yes, it is. If the other parties, the government and the opposition, are not prepared to take the kind of action which would give meaning to their words, then I wish and hope they would stop spouting the words.

The same is true in many respects when we turn to other aspects of the government's foreign policy. The government talks a good deal about the importance of human rights and political freedoms in the Third World as well as in the industrialized world. The government, and particularly the Secretary of State for External Affairs, seems to have swallowed completely the argument that the conflict in El Salvador is part of a Russian conspiracy. Without any question, he has followed the U.S. white paper. I am sure he will be interested to know that the *Wall Street Journal* for Monday, June 8, has pretty well demolished the so-called white paper on reds in El Salvador. He literally pulled his forelock over whatever General Haig said about El Salvador when he was here. He persuaded the Americans we could be taken for granted about their particular approach to Central America. So much so that the other day the U.S. Secretary of State announced that an alliance of Mexico, Canada and the United States had been formed on Latin American affairs, focusing on the communist

and Cuban influence in El Salvador and the Caribbean, without our Secretary of State for External Affairs even knowing that there was an alliance.

We have shown quite properly the government's approach to El Salvador. I believe "quiet acquiescence" was the minister's description of his attitude toward U.S. arms shipments there. That once again belies the words of the government on other occasions when it was concerned, as the Prime Minister was again today, with human rights and political freedoms everywhere.

• (1640)

We have seen the government again talk a good talk about North-South. It may well be that the Prime Minister will take some initiatives at the summit on this matter. However, in his speech today he did not address any of the tough questions that Canada will have to face if we are going to do more than pay lip service in helping to resolve some of the problems of the developing world.

The Prime Minister did not suggest that if Third, Fourth and Fifth World nations are going to participate more in the new international economic order, this will involve a fundamental restructuring of the Canadian economy. Maybe he is waiting for some other country to suggest that there will have to be some restructuring. I am sure he knows that if we are actually going to have a new world economic order this will require substantial change in our own industrial structure. Very important measures will have to be taken and thought through now to offset the disruptions that they involve. He never mentioned them at all. If you do not realize what the implications are, talk about them and plan for them, you are giving lip service and nothing more to the restructuring of the world economy, to providing greater benefits and opportunities to the have-nots.

Nor did he say anything about the role of the multinationals in the Third World, a role even worse in many respects than their role here, which is bad enough. Multinationals operate in their own self-interest, moving capital from country to country where they think it would be most advantageous to do so, leaving communities and labour forces abandoned. An unfettered right to operate is what they ask for and what they get. They export what they think the western economies need from the Third World, not focusing on the food and agricultural needs of the Third World countries but on what they think the export markets need and want in the industrialized world.

The great power of the multinationals in the Third World, which I am sure some hon. members have read about, particularly in the book "Global Reach", was never addressed. I doubt very much if it will be at the summit either, unless François Mitterrand has something to say about it. However, our Prime Minister has not. In my view, it is a key to our making something more than rhetoric out of the North-South dialogue, to start thinking now of home-based and international controls on the operations of the multinationals in the Third World.

Did the Prime Minister say anything about another incredibly important and urgent matter in the Third World, the position of women? Perhaps I should not be surprised. He has not said very much about the position of women in Canada.

Mr. Dupras: Oh, come on!

Miss Jewett: Well, he is getting better.

An hon. Member: He has been overgenerous.

Some hon. Members: Oh, oh!

Mr. Rae: You have just said that he has been overgenerous. That will be on the record.

Miss Jewett: He has not said a word about the role of women in the rural economy of developing countries. When the Prime Minister was talking about human rights, he mentioned in addition to political freedom the freedom of the market. If he has the view that the North-South relationship can be developed, improved, and made meaningful by relying on the freedom of the market, it just will not happen. It will not happen for the rural woman, it will not happen for any of the Third World, particularly the poor in the Third World.

I believe it is important not only for Canadians but our government officials, particularly those in external affairs, to know what direction the government is going in foreign policy, and above all in matters of war and peace, poverty or well-being, human freedom or despotism.

Canada must have a consistent policy and it must apply it consistently. That means it does not fool around trading with Chile, providing export development credits there. It does not fool around by saying that the Nicaraguan government may not be quite as good as the Somozan government. It does not fool around by wondering if there is going to be a better buck or deal in one part of the Third World than another. If Canada is going to have a clear, coherent and consistent policy, it must stop just talking peace and war, human liberty, the developing world, and start putting its policies and approaches in those directions. As my colleague says, it should put its actions where its mouth is.

I want to emphasize, although it has been mentioned once this afternoon, an initiative that the Government of Canada might take. There are many I have suggested it could do on its own to become a more independent, respected, powerful and influential nation, but the initiative that was proposed by George Kennan in his acceptance speech on receiving the Albert Einstein peace prize in Washington on May 19 bears repeating. I read of this in the *Manchester Guardian Weekly* of May 31. The article was entitled "The only way out of the nuclear nightmare".

I would like to quote from this article at some length because it might not otherwise appear on the record and because it comes from a most distinguished American and may have an influence with the Secretary of State for External Affairs, who has been influenced out of all proportion by another American, General Haig.

George Kennan talks about the stockpile of nuclear weapons, how it has proceeded steadily, relentlessly, without the faintest regard for all of the warning voices, with the result today that we have achieved in the creation of these devices—and by "we" he means the Russians and the Americans—and their means of delivery, "levels of redundancy of such grotesque dimensions as to defy rational understanding". He continued:

I say redundancy, I know of no better way to describe it. But actually, the word is too mild. It implies that there could be levels of these weapons that would not be redundant. Personally, I doubt that there could. I question whether these devices are really weapons at all.

● (1650)

Later he states:

To my mind, the nuclear bomb is the most useless weapon ever invented. It can be employed to no rational purpose. It is not even an effective defence against itself. It is only something with which, in a moment of petulance or panic, you commit such fearful acts of destruction as no sane person would ever wish to have upon his conscience.

Then he goes on:

There are those who will agree, with a sigh, to much of what I have just said, but will point to the need for something called deterrence. This is, of course, a concept which attibutes to others . . . the most fiendish and inhuman of tendencies. But all right: accepting for the sake of argument the profound iniquity of these adversaries, no one could deny, I think, that the present Soviet and American arsenals, presenting over a million times the destructive power of the Hiroshima bomb, are simply fantastically redundant to the purpose in question.

He goes on:

How have we got ourselves into this dangerous mess? Let us not confuse the question by blaming it all on our Soviet adversaries. They have, of course, their share of the blame . . . But we must remember that it has been we Americans who, at almost every step of the road, have taken the lead in the development of this sort of weaponry. It was we who first produced and tested such a device; we who were the first to raise its destructiveness to a new level with the hydrogen bomb; we who introduced the multiple warhead; we who have declined every proposal for the renunciation of the principle of "first use"; and we alone . . . who have used the weapon in anger against others, and against tens of thousands of helpless non-combatants at that.

That quotation from George Kennan I do believe is worthy of our serious consideration when we look to the possibility of Canada, and like-minded peoples and nations who want to see an end to the nuclear nightmare, operating much more independently of the great powers than we do now, powers that are so intimately involved in the nuclear nightmare. This might give us much greater leverage in promoting the really radical answer that Kennan is proposing. Kennan does not propose, by the way, just a continuation of SALT II and III. He sees them, indeed, as very limited. Indeed, SALT II is almost part of the problem. He says:

—I have . . . no illusion that negotiations of the SALT pattern . . . could ever be adequate to get us out of this hole. They are not a way of escape from the weapons race, they are an integral part of it.

He goes on to state:

I can see no way out of this dilemma other than by a bold and sweeping departure—a departure that would cut surgically through the exaggerated anxieties, the self-engendered nightmares, and the sophisticated mathematics of destruction, in which we have all been entangled over these recent years, and would permit us to move, with courage and decision, to the heart of the problem.

What he proposes is that:

—the President . . . with the Congress . . . propose to the Soviet government an immediate across-the-boards reduction by fifty per cent of the nuclear arsenals now being maintained by the two superpowers—a reduction affecting in equal measure all forms of the weapon, strategic, medium range and tactical, as well as all means of their delivery—all this to be implemented at once and without further wrangling among the experts—

He says:

Whether the balance of reduction would be precisely even—whether it could be construed to favour statistically one side or the other—would not be the question. Once we start thinking that way, we would be back on the same old fateful track that has brought us where we are today. Whatever the precise results of such a reduction, there would still be plenty of overkill left—so much so that if this first operation were successful, I would then like to see a second one put in hand to rid us of at least two thirds of what would be left.

I would like to see the Government of Canada proposing that kind of initiative, saying to the people of Canada that we are going to try more seriously, more rigorously and with fewer contradictions in our public statements, to pursue peace, security and justice, not only for ourselves, not only for other industrialized nations but, above all, since without peace there can be no life at all, for the developing world, for all other parts of the world which we want to share a larger place in the world.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mississauga South (Mr. Blenkarn)—Finance—a) Price paid for treasury bills. b) Reasons for price paid; the hon. member for St. Catharines (Mr. Reid)—Employment—a) Adult academic upgrading at Niagara College. b) Reason for departmental decision; the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—Housing—Request for introduction of program with reasonable interest rates.

GOVERNMENT ORDERS

[*English*]

NORTH-SOUTH RELATIONS

REPORT OF PARLIAMENTARY TASK FORCE

The House resumed consideration of the motion of Mr. MacGuigan:

That this House take note of the present state and future prospects of Canada's international relations and endorse the broad thrust of the report of the Parliamentary Task Force on North-South Relations.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Prime Minister (Mr. Trudeau) has dealt eloquently with the question of instability and poverty in the world; of the need for nations to find ways to improve the conditions of the nearly one billion people on this planet who live on the margin of human existence. At the same time, he has underlined Canada's growing interdependencies with the world.

All Canadians have a huge and growing stake in what happens outside our borders. There is hardly a community in Canada which is not in some way or in some manner affected by developments outside this country. The same could not be said only a few years ago. Our economy and that of the world are now firmly intertwined. Our destiny and that of the world have become inseparable as never before.

The quest for world stability and order takes on an added sense of urgency under the circumstances. It is no longer an abstract concept. We are not simply a fortunate and remote country surrounded by three oceans and occupying one end of an isolated northern land mass. We are a country which is vitally dependent on the world. The ripples resulting from events elsewhere do not stop at our borders. They carry on past and have an impact on all parts of our country.

The world presents a mixture of constraints and opportunities for Canada, as it does for all countries. The realization of our national goals is enhanced or diminished by what happens outside our borders. Growing global interdependence alters the balance of these constraints and opportunities. How world problems are dealt with becomes of vital importance to a country like Canada whose links with and dependency on the rest of the world are great.

Foreign policy can be said to begin in national interests and to end in international action. It is the extension abroad of national policies, as the government stated in its "Foreign Policy for Canadians" in 1970. Even more, it is the expression in the world of our fundamental national values—values such as freedom, democracy, civil liberties, peace, justice and economic and social progress.

To be sure, we have to pursue our national objectives in an international perspective. National aims can no longer be realized in isolation but require international consensus and united action through the principal associations to which we belong—the United Nations and its agencies, NATO, NORAD, the Commonwealth and *la francophonie.*

This is not the occasion to address conflicts between the national interest and the international good, except to note that the ultimate safeguard is the intrinsic appeal of the common good of all mankind. But Canada has less reason than most countries to anticipate conflicts between its national aims and those of the international community. In fact, from the time of our full emergence as an independent state with the Second World War and well before our present economic interdependence with the rest of the world, internationalism has been a trademark of our foreign policy. I believe that almost all Canadans accept it as one of our foremost national values.

The foreign policy review of 1970 divided Canadian values, as applied to foreign policy, into six categories which could thus be treated as the main themes. The events of the 1970s required the review and adjustment of many of the policy directions within that over-all framework. But as a framework for our aspirations, I believe these themes remain valid.

● (1700)

In my view, these themes—fostering economic growth, safeguarding sovereignty and independence, working for peace and security, promoting social justice, enhancing the quality of life and ensuring a harmonious national environment—continue to reflect the aspirations of Canadians and indicate a continuity in Canada's foreign policy goals. The strategies required to realize these goals today are different from the strategies of the seventies. The relative priority of the goals may also differ, but the goals themselves remain.

What sort of world were we facing at the outset of the seventies when that review took place? It was a different world, a world which was, frankly, more hopeful. There was more confidence then about our economies. We believed that money and technology transfers could overcome a number of global problems and advance the development of developing countries. Social programs could easily be expanded both at home and abroad; the disfavoured people in our own societies and the disfavoured countries of the world could be helped simultaneously. The term "oil shock" would have brought a blank stare. We were entering a period of economic expansion on a global scale. The fruits of this expansion would allow progress to be made on a number of fronts. Meaningful disarmament initiatives appeared possible. The Soviet Union appeared to be moving toward greater co-operation with the West.

I do not have to go through a litany of things which altered our views during the seventies. It is not necessary to describe the incredible global impact of two oil shocks and two recessions as well as other developments which diminished the early hopes of the seventies.

However, much was accomplished internationally in the seventies on which we can build in the eighties. The seventies saw a vast increase in international co-operation and the establishment of new frameworks to facilitate international transactions. Increases in trade and human contacts developed on a wider scale than ever before. There were attempts to develop crisis management mechanisms which could lessen threats to the international system in a wide variety of areas.

And the seventies saw a greater degree of stability returned to relations between the European states, particularly between the two Germanys. China joined the community of nations. The states of ASEAN formed a new nucleus for mutual co-operation.

A significant foreign policy challenge for the global community and for Canada will be to use those positive elements of

international co-operation which were built in the seventies to help deal with the uncertainties of the eighties to which the Prime Minister referred. Canada cannot—nor can other responsible states—turn inward when faced with the difficulties of the eighties. The seventies would have been far more difficult internationally without the safety net of institutions and procedures which have been built up with such difficulty and in which we have invested so much. We cannot now turn away from these institutions and frameworks. We need them to a greater extent than ever before.

I should like to look ahead at the eighties through the prism of the six principal Canadian values to which I have already referred. The eighties will require more emphasis on some of these themes than on others in order to deal with new realities. All these values are important. Any one from time to time can require the highest priority from the government.

The goal of Canadian foreign policy is to create a just and peaceful world in which all nations can achieve greater well-being and prosperity. In order to attain this goal, particular priority has to be given at the present time to promoting social justice and fostering economic growth.

There are two themes—working for peace and security and safeguarding sovereignty and independence—which are fundamental to everything else. There can be little hope for economic growth or social justice if one's security or sovereignty is threatened. Themes interlink.

Canada defends its sovereignty and independence through a variety of means—through boundary and territorial negotiations, for example—but working for peace and security represents the most important way for Canada to defend its sovereignty.

Canadian security policy in the past 30 years has been based on three foundations of peace: first, deterrence of war through collective defence represented by participation in NATO and NORAD; second, verifiable arms control and disarmament agreements; and third, mechanisms and arrangements for the peaceful settlement of disputes.

When it was clear that the collective arrangements for peace provided for under the United Nations charter were not going to be allowed to work, it became imperative to make other security arrangements. Canada joined with others in creating the North Atlantic Alliance in 1949 and has since contributed to the collective deterrence and defence capacity of NATO.

I remarked a few moments ago that the hon. member for New Westminster-Coquitlam (Miss Jewett) commented extensively on our participation in the nuclear strategies of our alliance. I know hon. members in the House generally will realize that this has to be set against the background of rejection in her party—again, I understand, being reiterated, to the great embarrassment of its leader—of the NATO alliance. I hope the hon. member is prepared to make the same points she has made here to the New Democratic Premier of Saskatchewan, Premier Blakeney, and I hope others here from that province will carry the message to her, since she has left the House.

Miss Jewett: I am right here.

Mr. MacGuigan: She is just now returning. I hope the hon. member will carry the same kind of message to Premier Blakeney of Saskatchewan, that good New Democrat who is sending Saskatchewan uranium all over the world for the purposes which she says she so frankly detests.

Miss Jewett: Are you still reading, Mark?

Mr. MacGuigan: For the Canadian government, along with defence capacity, security also requires the search for arms control. If the armaments spiral is ever to be broken, verifiable arms control and disarmament agreements must be concluded. Arms control and disarmament is the pursuit of undiminished security at lower levels of armaments and expenditure. The step by step approach takes time, beginning with the mutual perception of security which can lead to agreements to limit arms and to control their development and deployment. Once arms competition is contained, efforts can be focused on reductions, which would continue to reflect that same approximate security balance.

The prospects for concluding arms control and disarmament agreements continue to be limited. The postponement of consideration of ratification of SALT II by the U.S. Senate followed the Soviet invasion of Afghanistan in December, 1979. The review of arms control and disarmament policies by the new U.S. administration should result in a new start in the SALT process. At the last NATO foreign minister's meeting in Rome, which I attended, the United States reaffirmed the intention of the previous administration to go forward with discussions on the limitation of theatre nuclear forces. Negotiations on a comprehensive test ban treaty and on a ban on chemical weapons have continued to be protracted.

It is, indeed, in the process of peacemaking that real disarmament progress is likely to be registered. Many of the crisis spots in the world are not cast in ideological and imperial terms as is the current case between the East and the West. The vast majority of disputes, particularly in the Third World, are regional in scope and often reflect deep-seated and historical quarrels in relation to local and ill-defined issues. Canada has been active in seeking solutions to international conflicts.

A major focus of Canada's recent arms control activities was the Prime Minister's proposal at the first United Nations special session devoted to disarmament in 1978 in the context of restraining the technological momentum behind the strategic nuclear arms race. The elements of the "strategy of suffocation"—a comprehensive test ban treaty, a ban on the flight testing of all new strategic delivery vehicles, a ban on production of fissionable material for nuclear weapons purposes and an agreement to limit and then progessively to reduce military spending on a new strategic nuclear weapons systems—were not new to the arms control discussions. What was new was the concept of their interaction in combination to prevent proliferation of nuclear weapons among heretofore non-nuclear weapon states or the nuclear weapons states themselves.

Three years later the concept of the strategy of suffocation remains valid. The government takes every opportunity to reaffirm the importance it attaches to the continuation of the SALT process and to the realization of a verifiable comprehensive test ban treaty. These priorities, together with assisting in the preparation of a convention ban on chemical weapons and the promotion of the evolution of an effective non-proliferation regime, will guide Canadian preparations for the second United Nations special session on disarmament next year in which Canada intends to take an active part.

● (1710)

As the Prime Minister has indicated, in the 1980s we must look for new ways of dealing with tension and threats to peace through new forms of consultation and crisis management, including ways of dealing with regional crisis. Peacekeeping has been an important Canadian contribution to the search for international stability in the 1970s. We are hopeful that the wide range of multilateral machinery built in the 1970s will provide us with a good basis for developing these new ways of approaching security-related issues. It is particularly important to recall that the instability of our world, which we expect to deepen in the 1980s, is of a different, less predictable character, centred to some extend in the growing interdependence between industrialized and Third World nations.

The peace and security of Canada thus is becoming increasingly linked to regional tensions and crises. Regional crises are rarely contained in one particular region. There is a growing spillover effect. There are wide-ranging repercussions that have a multidimensional impact far from their points of origin. A regional crisis of a military or a political nature in one region can have an economic impact on the other side of the globe; witness the economic impact of the Arab-Israeli war and the Iran-Iraqi war on the West. On the other hand, the shock waves from an economic crisis in one region can trigger a military or political crisis elsewhere.

[*Translation*]

Closer interdependence means that Canada cannot remain isolated from the crises which erupt elsewhere in the world. We are particularly concerned about certain unstable areas. The crisis which threatens the stability of the Asiatic subcontinent has got us greatly concerned. I have already mentioned the mounting East-West tensions and the right hon. the Prime Minister (Mr. Trudeau) dwelled on that subject. I am convinced that Canadians would find it unacceptable if their government were to maintain a policy of détente towards the U.S.S.R. while closing its eyes on Soviet activities in foreign lands. The invasion of Afghanistan had a very negative impact on the interests of the world community. The Russians' refusal to change their position on that question has seriously jeopardized the situation. For all practical purposes, the Soviet Union ignored world opinion as expressed in two resolutions which gained very wide support in the General Assembly. The peace and stability of that area and of the community of nations will be endangered for as long as Afghanistan has not regained its sovereignty, its independence and its status of non-aligned nation.

The situation in Southern Africa enables us to entertain hopes and fear deceptions. Hopes because there seems to be a possibility that Zimbabwe might evolve towards a democratic and multiracial society, but deceptions as well because the policies of South Africa remain unchanged. Last fall at the United Nations I spoke of the permanent affront to humankind which the apartheid policy represents. The government feels it is despicable.

We also maintain that South Africa must loosen its grip on Namibia. The mere fact that the Namibian issue remains on the list of critical problems in foreign policy proves it. The intransigence of the South African government is the only obstacle to a negotiated settlement, one which would allow the Namibian people to gain independence through a free and fair election in which all Namibians could take part. Such an election under the supervision of the United Nations is the focal point of Resolution 435 of the UN Security Council and Settlement Plan. Our support in this regard is unconditional. However, new elements may have to be added to Resolution 435 to win over all the parties involved to its provisions and the terms of the UN Plan. But I must point out that any addition must be in complete agreement with the basic principles of the resolution. In our view, there is therefore no question of amending the resolution, but rather of ensuring its implementation. The addition of new elements with the agreement of all parties involved should aim not at weakening it, but at giving it full effect.

I want to point out to our African friends that Canada has only one purpose in this matter, that is independence for Namibia. We have nothing to gain and, indeed, much to lose as long as Namibia is occupied illegally by South Africa. We have indicated to the latter that only an international solution can be a lasting one and that only an international solution will bring stability and security to the region. The resolution of the Namibian issue is as much in the interest of South Africa as of the other parties involved. Canada will continue to work for a negotiated solution, but in the final analysis, South Africa will have to make the decision. It was not ready to proceed last January at the Geneva conference. I hope that on reflection it will agree to a direction and a plan which has the approval of the entire world community.

The Middle East is an area of the Third World which is of vital and direct interest the West as a whole. It is the focus of the convergent interests of North-South and East-West relationships. The economic development of a large part of the world is intimately linked to the Middle East and the issues of concern to this area should be given priority by all international organizations. This government's policy is, whenever possible, to facilitate understanding and promote dialogue. Tension in the Middle-East is multidimensional and its most important aspect is the Arab-Israeli crisis for which a long-term solution

has to be found. Israelis and Palestinians have legitimate rights and concerns which must be taken into account. Among other things there is the security of Israel and its right to be readily accepted by its neighbours. But the world must also recognize the rights of the Palestinians and these include their right to a homeland, within a clearly defined territory, and by that I mean the West Bank and the Gaza Strip.

Madam Speaker, there are other regions of the world where tension and instability prevail, like Central America, the Caribbean, and South-East Asia. Canada must recognize that development in those areas and elsewhere is getting even harder to control especially if East-West confrontations spill over into the Third World. We ask that Third World countries be sheltered from these rivalries and we support their legitimate desire to return to a true spirit of non-alignment. We also ask that the Soviet Union respect such non-alignment.

[*English*]

I have mentioned the link between peace and security on the one hand, and sovereignty and independence on the other. But our relationship with the United States could be considered a special case of the exercise of the latter value. Indeed, this relationship is perhaps Canada's greatest foreign policy challenge. The reasons go beyond the sheer magnitude of the relationship, with the $90 billion in trade last year and its enormously complex network of personal and business links. The more profound reason why Canada-U.S. relations are so important has much to do with how we as Canadians want to shape our destiny.

In many ways, Canada and the U.S. are similar societies. We are both liberal democracies of the new world, lands of almost unlimited opportunity and personal freedom, whose people hold in common a range of cultural and ethical values. Yet in vital respects—and this is the crucial point for Canadians—we are very different nations with our own approaches to nation-building and some clearly distinguishable economic interests and social features.

● (1720)

For Canadians, the art of conducting relations with the United States is to co-operate in the development of what is in most ways a fruitful and mutually beneficial relationship while safeguarding Canada's paramount national interests. A vital, economically strong and unified Canada is in the economic and security interests of both countries.

This is the purpose of Canadian government measures to promote the Canadianization of the national economy, including the several steps in this direction which have already been taken, such as the establishment of Petro-Canada and most recently the framing of the National Energy Program.

An irony of the relationship is that the very similarities which exist between Canadians and Americans can make the inevitable problems which arise more difficult to resolve. There is a difficulty sometimes in the United States to grasp that different policy methods are used in Canada, despite the similarities which exist, because our respective experiences and structures are in some other ways different. In order to minimize the friction in the relationship, therefore, a premium must be placed on explaining policy approaches to one another as effectively as possible.

Some observers believe that at the moment Canada and the United States seem to be headed in different philosophical directions. I would rather suggest that in fact the two countries are developing national policies suitable to their own particular circumstances. In the case of Canada we all believe this to be an entirely healthy and understandable phenomenon which can in no way affect the foundation of good will and common interest which form the bedrock of Canada-U.S. relations.

Inevitably, we will have to be prepared to face opposition from some American quarters on some issues. No independence worth having is completely costless. Broadly speaking, however, I am confident that Canada and the United States will continue both to co-operate on questions of primary interest to the two of us and to work together to support peace, security and human dignity abroad.

One issue requiring co-operation between our two countries relates to a principal Canadian foreign policy theme, namely, working to ensure a harmonious natural environment. Since 1970 there have been important developments in this sphere, both positive and negative in character. Modern technological development has had environmental consequences of a magnitude and complexity which were unforeseen ten years ago. Today, phenomena scarcely recognized in 1970, such as acid rain, ozone depletion and the accumulation of carbon dioxide in the atmosphere, have become issues of both domestic and international concern. Hazardous waste disposal and the health effects of new chemicals have acquired increasing international significance. Traditional, although no less significant, concerns such as air and water pollution, urban growth, deforestation, and soil degradation are becoming more internationalized; these phenomena do not recognize international boundaries.

On the positive side, both the Canadian government and the international community have recognized the seriousness of these issues and are planning various measures to deal with them. Progress at both the domestic and international levels has been encouraging. Two examples come to mind in which this country has been particularly active. Canada played a major role at the Stockholm conference on the human environment in 1972 which established the United Nations environment program. It also hosted an international conference on human settlements, "Habitat", in Vancouver in 1976 which led to the creation of the United Nations Commission on Human Settlements. There were a number of other successes, including the 1979 Convention on Long Range Transboundary Air Pollution.

Closer to home, the Canadian government has to work out environmental protection agreements with our neighbours. Negotiations are commencing this month with the United States for the formulation of an agreement on transboundary air pollution. A successful outcome is literally vital to Canadi-

ans. This is another issue on which the government will be vigilant in the Canadian interest.

Solutions to the problems we confront in the environmental sphere must be found although they are not easy to come by. Yet there is no question that Canada and other nations of the world have to focus now on the sort of planet we need to live in a decade or two or three away. We cannot ignore the active potential for ecological disaster that is building. We cannot, to coin a phrase, deregulate our responsibilities.

It is significant that this House recognized those responsibilities when we recently voted unanimously to provide the authority, through amendments to the Clean Air Act, to meet our obligations to the United States vis-à-vis transboundary air pollution. We are hopeful the United States will take the same step.

As "Foreign Policy for Canadians" pointed out, there is a close link between environmental ills and the quality of life in Canada and abroad. This theme covers the promotion of a sane and livable social environment as well as that of the ecology. Terrorism is a contemporary phenomenon which only determined international co-operation will control.

International drug trafficking is another area where the concentrated effort of all countries is necessary. But Canada can also promote the quality of the lives of Canadians through expanding and enriching our cultural links abroad, through human contact in science and education, as well as in the arts, binding and reflecting the bilingual and multicultural character of Canadian society.

Canada's economic development is inextricably linked to the overall international environment. External factors and how we deal with them will be of central importance to our economic growth. Every economic goal which we have in this country is subject to the influence of external factors. Whether we are talking about regional development in Canada, industrial adjustment, skill upgrading, finding markets for our goods, all are influenced by what takes place outside our borders. Canada must pursue policies which defend, support and promote our domestic economic growth.

Canada is increasingly dependent on the world economic system. Canadian exports as a percentage of GNP are greater than at any time in the past. We have a network of economic links with the world which are central to our economic well-being.

Canada is vitally dependent on an open and stable multilateral trade and payments system. We must work with our major trading partners and others to strengthen this system. The system at present is under considerable protectionist pressures from many directions. No member of the trading community can claim to be blemish-free in this regard. Who would have foreseen at the outset of the 1970s, for example, that in the 1980s there would be demands and pressures in the international trading system for restraints and adjustments forced on major industries which are too successful? This is an unfortunate sign of the times and a challenge facing the trading world.

North-South Relations

A greater diversification of Canada's economic partnerships has been a principal cornerstone of Canadian foreign policy for a number of years. These efforts have been directed in particular at our industrialized partners, but the 1970s have seen the considerable economic growth of the so-called newly industrializing countries. These countries offer the possibilities for mutually rewarding economic partnerships for Canada in the 1980s. And they themselves are actively seeking such diversified trade relationships.

For Canada, not a member of any trading bloc, it is necessary to build a global network of trading partners. As Canada does not have traditional relationships with many of these countries, efforts must be made to build long-term and stable relationships with them from the ground up. Stable and long-term relationships will be particularly necessary for Canada in a world which threatens increased instability. A strong policy of strengthening bilateral relationships with key countries is necessary.

The improved technique of concentrating our bilateral relations which I announced on behalf of the government in January is in effect an updating and extension of the third option policy of 1972 by projecting our economic links beyond our traditional trading partners—the United States, Europe and Japan—to the Third World.

To illustrate how important the Third World has already become to Canada in trade terms, the following figures will be of interest to the House. Canadian exports to the developing countries constituted 9.7 per cent of total domestic exports in 1979. This figure rose to 11.6 per cent in 1980. From 1979 to 1980, while the value of total Canadian exports increased by 16 per cent, the rate of increase to the developing countries was 37 per cent. Particularly dynamic markets are China, Algeria, Brazil, Mexico and Saudi Arabia. Our exports to Brazil in 1980 rose by 111 per cent; those to Mexico by 104 per cent.

Furthermore, for several years our manufactured exports to developing countries have been of greater value than our manufactured exports to Europe. The Third World now also is the recipient of roughly 25 per cent of Canadian investment abroad. At the same time the rate of growth of imports to Canada from developing countries between 1979 and 1980 is greater than the average rate for all countries. This statement is true even if the export figures for the oil-exporting OPEC countries are eliminated from the statistics.

• (1730)

Specifically, where in the Third World does Canada look for new partnerships of mutual benefit? The countries of the Pacific Rim, and more specifically those of ASEAN, offer many potentially new partners. The annual growth rate of the ASEAN economies of some 7 per cent over the last ten years has been twice that of North America and the EEC countries. The economic prospects of these countries remain particularly bright. There are growing links between Canada and ASEAN which, in particular, are stimulating the Pacific dimension of Canada's foreign policy.

Latin America offers another region of potential partnerships. Geopolitically, Canada has been screened from Latin America by the bulk of the United States. Our relationships with Latin American nations have tended to be one-dimensional, based largely on trade. We intend to broaden our relationships, in particular, with Mexico, Brazil and Venezuela, with an accent on a mutually beneficial relationship of the widest possible scope.

Canada has two regional relationships which are integrally linked to our interests in both the Commonwealth and *la francophonie*. If I had more time, I would speak about both the commonwealth Caribbean and francophone West Africa.

Canada's growing economic links with developing countries are not Canada's only interests in seeking the economic prosperity of the Third World. This would be a betrayal of how Canadians see our responsibilities towards the developing world. Promoting social justice is an important domestic objective of this government. It has a clear international dimension which finds its reflection in Canada's foreign policy. It is central to our approach to the North-South dialogue, to Canadian development assistance, to human rights issues and to humanitarian questions. It is a major theme of emphasis in Canada's foreign policy. The government is, indeed, pleased to endorse the broad thrust of the report of the parliamentary task force on North-South relations.

A few moments ago, I heard what I can only call the politically motivated attack of the hon. member for Kingston and the Islands (Miss MacDonald) on the Prime Minister's (Mr. Trudeau) leadership on North-South issues over the years. I think the world would find such criticisms laughable. At Commonwealth meetings and in his Mansion House address, which is considered a classic throughout the world in the statement of the responsibilities of northern countries, in the development and implementation of policies which are among the most favourable in the world to Third World countries, the world has recognized the leadership which the Prime Minister has brought to this field.

Because of time limitations, I shall leave the full range of my comments on North-South issues and the Breau report for tomorrow's debate. At the moment I would note only that the theme of social justice in Canada's foreign policy is clearly apparent in questions touching the rights of the individual. The rights of the individual are at the basis of our political system. It is therefore essential that the promotion of human rights be part of the framework of Canadian foreign policy.

In general, our approach to the Third World is to insulate it as much as possible from East-West confrontations; in other words, to treat Third World countries on their own merits. Of course, when a developing country applies a foreign policy approach which actively aims at subverting the independence of other countries, our policy has been to terminate aid relations and to restrict economic relations to non-strategic commodities. However, for countries like Angola, our policy is to maintain open relations and to avoid punitive measures.

May I say in conclusion that I think it is important for Canadians to realize that foreign policy is not something secret or esoteric. It represents, internationally, what Canadians are and what they value. If fairly presented, it can be understood by all Canadians. I must say it is one of my personal goals to so open our foreign policy to the public as to make it generally understood. If the public can be persuaded to participate in the formation or carrying out of our foreign policy, so much the better. The businessman who fosters our commerce abroad and the aid administrator or field worker who spends part of his or her life helping the poor in developing countries are participating in our foreign policy, just as are the overworked and underpraised veterans of our foreign service.

Foreign policy is shaped by the value judgments of the government, based on the values generally shared by Canadians. In this way, Canadian foreign policy not only promotes democracy but also expresses the democracy that constitutes our national life.

Some hon. Members: Hear, hear!

Mr. Douglas Roche (Edmonton South): This debate on Canada's foreign policy in the international community is held at a momentous time in history, for mankind is in trouble. There has been a ceaseless buildup of nuclear arsenals and conventional weapons. We are experiencing chaotic imbalances of food and population, violations of human rights, depletion of resources, economic disorders and an upsurge in violence and terrorism. All these problems make the 1980s the most dangerous decade that the human community has ever faced.

No indicator more graphically shows the incredible destructive power that is loose in the world than the existence of 50,000 nuclear weapons and the ever-rising flood of arms trade through the developing world.

The whole world is painfully off balance, opulently rich in arms, poor in providing for the needs of human lives. Behind the statistical shadows of income disparities, inflation and retarded growth, are millions and millions of individuals trapped by shocking neglect. They suffer from hunger, the darkness of illiteracy, illness and desperate poverty.

This social deficit is itself a threat to world security because the festering problems of today, neglected in favour of armed might, promise rising public anger and social upheaval, against which no national military fortress can be made impregnable for long.

The U.S. presidential commission on the year 2000 predicted that if present trends continue, the world of 2000 will be far more crowded, more polluted, less stable ecologically and more vulnerable to economic, social and environmental disruption than the world we live in at present.

But this future chaos is not inevitable. Although the balance sheet of the human condition today is heavily weighted on the negative side, there is also a powerful positive theme characterizing modern civilization. The fantastic advances in science and technology could, if we had the political will, ensure a life of human dignity for everyone, and not just the privileged few. We are entering a totally new period in our planet's history.

For the first time, there is the opportunity to bring about a better life in greater freedom for all the world's people. We are now a dynamic world community, capable of sustaining life on a global level.

The situation, then, is tragically ironic: never have people possessed the potential to free the world from the ageless threats of hunger and war, but never was the world so hungry or the threat of war more monstrous.

A few moments ago, the Secretary of State for External Affairs (Mr. MacGuigan) said that the goal for Canadian foreign policy now, in the 1980s, is a promotional adjustment in a stable world. I support that enunciation, and add that the establishment of global institutions capable of preventing war and of confronting global problems is today's practical need and ought to be a primary object of Canadian foreign policy.

I am not arguing that Canada, a country of 24 million people, could or should remake the world in our image. But it is in our own interests, as the second largest country in the world possessing enormous resources, land and technology, to play a leading role in building the planetary conditions for peace.

Some say that we cannot focus on foreign policy until we get our own house in order and until our national unity and domestic economy problems are solved. This is short-sighted. The world is changing rapidly and will not wait for Canada. Moreover, a new understanding of Canada's role in a world seeking more security, trade and development would itself be an important contribution to our internal struggle over national understanding of ourselves. In short, planning and explaining to the public a constructive role for Canada in the world community in the next decade can help us find a renewed sense of purpose and direction in this country.

• (1740)

That sense of purpose is found in John Holmes' phrase, "enlightened internationalism." By this I mean that we stop separating the traditional issues of war and peace from the new global questions of justice, equity and human rights. The new issues of foreign policy include the escalating arms race, nuclear proliferation, food and energy shortages, the problems of international development and world-wide inflation and unemployment.

Mr. Speaker, it is commonly said that Canada's "golden age" in foreign policy is over. This is because we have become sluggish and uncaring in the past decade. We have lost our vision. We have failed to realize that in the new North-South dialogue, Canada has an influence out of all proportion to its size on the world community and can play a bridge-building role because we are trusted. If today we ask where are the Pearsons, Wrongs, Ignatieffs, Legers, Reids and that other band of distinguished Canadians in foreign policy, let us point to the MacGuigans, Gotliebs, Masse's, Smiths and McWhinneys and say to them: produce policies that will enable Canada to take its rightful place—centre stage—in North-South negotiations. I say to these government officials, to all members of this House, to the development community throughout the country that we must combine the idealism of the past with the pragmatism of today and lift up Canada so that this nation becomes a driving force for peace and development and justice. Is war necessary in order for a nation to have its finest hour? Let us make of this pursuit of development and peace in the North-South Dialogue Canada's finest hour.

The place to focus our attention is the first world summit of leaders from the North and South to be held in Mexico in October.

The report of the parliamentary task force on North-South relations has provided a basis for Canada's policy for the North-South summit. I was proud to represent, along with the Hon. Member for Erie (Mr. Fretz), the Progressive Conservative Party on that task force. We worked hard—with lots of compromises—to achieve a unanimous report. And the fact that the government has today endorsed the broad thrust of that report is at least a hopeful sign that a Canadian policy on the North-South dialogue will be projected along the lines I have indicated.

Before offering some criticism of the government's response to the North-South report tabled in othe House today, let me summarize what the essential issue is: despite significant development efforts in the past two decades, the problem is growing faster than the solution. The problem is the world economy. The world economy is now functioning so badly that it damages both the immediate and the long-run interests of all nations. The problems of poverty and hunger are becoming more serious; there are already 800 million living in extreme poverty and their numbers are rising. Shortages of grain and other foods are increasing the prospect of hunger and starvation. The addition of two billion people to the world's population in the next two decades will cause much greater strains on the world's resources. Meanwhile, the industrial capacity of the North is underused, causing high unemployment, while the South is in urgent need of goods that the North could provide. Rapid inflation, high interest rates, and unpredictable interventions by governments are seriously disrupting international trade and investment.

I recently saw in Africa one of the direct results of this abstract subject of balance of payments. More children are dying of malnutrition and water-borne disease than a few years ago because development budgets have been cut as a consequence of the balance of payments crisis. In Kenya, one of the better-off countries, the five-year development plan, though only in its second year, has been cut in half. Unemployment in Africa is soaring, subsistence farmers are migrating in search of fertile soil and access to firewood.

These conditions are robbing the rising generation of prospects for future employment, robbing those who survive. Of the 122 million children born in 1979—the International Year of the Child—a year later one in every ten was dead. During that same year, up to another 5 million small children, one to four, also died. The great majority of these children died from quite readily preventable diseases caused by gross underdevelopment.

The challenge, as I see it, is to build the political will necessary to promote advances in energy, agriculture, technology and communications throughout the developing countries while protecting the ecology, culture, religion and family structure inherited from the past. In all of this, new thinking is required to turn mutual interests into creative partnerships. Barbara Ward spent her life trying to infuse this new thinking into political leaders. I would test Canadian policy coming out of the North-South Task Force Report against the five principles that follow.

First, international food security through increased food production, increased food reserves, and the ability to respond effectively to emergency situations.

Second, international energy security, highlighting conservation, investment in energy development, particularly in the developing countries, and stabilization of prices.

Third, economic stability to address the deficits of the oil-importing countries, ensure smooth recycling of oil surpluses and to correct current imbalances.

Fourth, self reliance through trade. Freer trade would encourage industrial and agricultural development in the developing countries, but adequate adjustment measures for certain sectors in the industrialized countries must be worked out.

Fifth reduction of the disparity between arms spending and development spending.

We do not need to cry out in frustration about what to do. The international development strategy for the 1980s, adopted by the United Nations, conceives of development as an integral process and has accorded the objectives of social and human development a major new emphasis. Even the World Bank is now using this line of argument.

Arguing whether our motivation should be humanitarian or self-interest is a waste of time. Both concepts are valid and they are intermingled in the North-South dialogue. It ought to be clear by now that the evolution of developing countries, some of which are industrializing rapidly, has important implications for the future of the Canadian economy. Although there is still much human suffering in the developing countries, the continuing image of the Third World as poverty-Stricken has obscured the dramastic economic improvements that have occurred in the middle-income countries. The "Harvard Business Review" recently reported that 34 of the 500 largest international companies are now based in developing countries.

So far, Canada's economic links with developing countries are weak. We heard that 11 per cent of Canadian exports go to the Third World, a figure that is still low, compared to that of our main industrial partners, yet more than 37 per cent of U.S. exports go to developing countries, 45 per cent of Japan's and 18 per cent of the European community's.

● (1750)

The same story applies in the field of investment. We are lagging behind our industrial partners in our relations with developing countries. We were warned by the Economic Council of Canada as far back as 1978 in a study entitled "For a Common Future: A Study of Canada's Relations With the Developing Countries" that the mere fact many foreign corporations were investing in the developing world made it likely Canada would suffer a loss of markets and, consequently, of employment and profits if its firms did not do likewise.

As John F. Bulloch, President of the Canadian Federation of Independent Business, has recommended, the Canadian business community should probe the new opportunities for trade links and joint ventures in the developing countries, especially those that are rapidly industrializing. Without a doubt, more trade links with the developing countries means more jobs for Canada. Canadian exporters will be able to pick up major contracts for infrastructural work in areas such as communications, transportation and resource development. Already 2,500 Canadian businesses both large and small, have won CIDA contracts in the past few years. That is only a beginning.

CIDA's industrial co-operation program encourages Canadian firms, with funding for starter and feasibility studies, to establish or expand operations in developing countries. Recently that program has been expanded, and I support that expansion.

Canada is well placed to assist developing nations with the following: in utilizing computers; in satellite monitoring; in breeding techniques to improve the world's food supply; in adapting microelectronic technology to decentralize production so that new manufacturing techniques can be integrated into rural societies; and in dividing limited resources between tele-communications and transport, enabling villages and small industries to derive more benefits from new developments in communications technology. The future for Canadian business in developing countries is not only imaginative, it is exciting. I believe that we have to do much more in our country to acquaint Canadian businesses, not just the large businesses but the small businesses, to the vast potential involved here. Our business should be stimulated to that end.

For all these reasons, the Progressive Conservative party has adopted a policy on Canada's role in international development.

I shall now put on the record the core of that policy for which our party stands. First, we believe that Canada, in its own and general interest, should respond constructively to the need to reduce trade barriers to the common progress of developing nations. Second, with respect to Canada's aid program, the program should be raised to at least the agreed target level of 0.7 per cent of our GNP by 1990. Third, this program should be concentrated in fewer countries and consideration for aid should be based on greater need. In other words, the greatest opportunity of benefit should go to the people of a country based on effective use of aid tools, proper application of programs in co-operation with government agencies operating in the particular country and political, economic and human rights conditions. Moreover, opportunities for economic benefits to Canada and the need and opportunity for

Canada's political influence in the country or region are also affirmed as important principles in Canadian foreign policy. Fourth, Canada's aid program should include readiness to respond to the survival needs of peoples facing famine or disaster. Fifth, the aid program should be continuously assessed and modified to ensure a meaningful contribution to the long run well-being of those people in the recipient countries.

That is what our party stands for, and these are the broad criteria we will use to establish how far the government will move in implementing its own response which was tabled today.

I will take a moment to mention what I consider to be the main recommendations in the report of the parliamentary task force on North-South relations, to which the government has responded today. There are 38 recommendations. Time does not permit me to go through them all. I shall just mention what I consider to be the six principal recommendations in what the government has said. The following are what I consider to be the most important recommendations.

The first is a commitment that Canada's official development assistance be raised to 0.7 per cent of the gross national product by the year 1990. The government responded today that it will take that recommendation into account, but it has not made a commitment. I remind hon. members that our party has made such a commitment.

The second is that the World Bank double its gearing ratio in incremental stages. That is a mechanism now being planned within the World Bank. The new president of the World Bank has given approval to steps to move in that direction. The North-South task force report stated that it would enable the World Bank to double its gearing ratio yet again. The World Bank has doubled its capitalization in recent months from $40 billion to $80 billion by doubling the gearing ratio under which it lends money to developing nations. This would mean a quadrupling from where the World Bank has been operating presently, that is to say, from $40 billion to $160 billion. The government said that would be inferior, but it recognized the need for further exploration. I believe the government should have moved on that recommendation.

The third recommendation I would mention is that the International Monetary Fund show greater responsiveness to the externally caused debt situation in the least developed countries. I have mentioned the African experience of the oil importing countries which are running up horrendous deficits as a result of conditions over which they have no control. The government responded today that the current IMF measures indicate a willingness to respond and that Canada would support further evolution. I believe that is not a sufficiently strong enough recommendation for Canada to give some leadership in the North-South dialogue. I say to you, sir, that the North-South summit in Mexico will succeed or fail on the single issue of whether or not a mechanism is found to repair the horrendous debt of the least developed countries as a result of oil importation.

Fourth, we recommended that a greater voting strength be given to OPEC in the international financial institutions. How can you expect OPEC to recycle huge surpluses of money if they do not have a stronger share in the voting of the World Bank and the IMF? The government said it agreed with this recommendationm and encouraged a higher profile in the World Bank affiliate for the OPEC nations. That is a good response. I wish it were stronger, but at least the government has responded affirmatively.

Fifth, we recommended that Canada support the World Bank energy affiliate by which under a new concept a new mechanism would be established making it possible to go into developing countries to find oil and gas for them so as to reduce the importation of energy. The government's response to that recommendation is the strongest of any response it has given to any recommendation. The government said it would continue to support the concept and do whatever it could to persuade OPEC and the north of the advantages of the World Bank affiliate. I commend the government for that strong response. I wish the rest of the responses today had been as strong as the one enunciated in that paragraph.

Sixth, we recommended that the government instigate a major public inquiry of the industrial sectors likely to be at long-range disadvantage. The government has rejected that inquiry saying that the information about industrial adjustments, for instance in the textile industry, is already known to the government. I say it is not known to the Canadian people, and we need a sense of direction.

If I had to summarize the direction of the North-South task force report, it would be to plead that the Canadian people become much more knowledgeable and involved—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Roche: Mr. Speaker, I could finish my speech if I were granted two minutes.

The Acting Speaker (Mr. Ethier): The hon. member may finish his speech only if there is unanimous consent.

Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Roche: Mr. Speaker, I thank hon. members for their courtesy.

I believe the government has made a mistake in rejecting the recommendation for 1 per cent of official development assistance to be focused on development education in Canada. I believe that if, as we heard earlier today, we are going to influence the Hamilton steel worker, the Regina housewife and millions of Canadians about what this whole multi-dimensional complex North-South issue is all about, we must do a better educational job.

• (1800)

I am sorry that the government did not give a commitment to a new five-year strategy for international development. I

believe that it should have. The last one, 1975 to 1980, had 21 points. It is unfortunate that, as the North-South Institute said, 13 of the 21 points were given a failing or unsatisfactory grade. Nonetheless, it would be better to at least have a strategy by which we could then measure the government's progress.

Finally, the proof of the government's response to the North-South report will be in how successful Canada is in persuading our industrial partners, particularly the United States, the United Kingdom and Germany, in the forthcoming summit that new economic partnerships with the South must be established. The proof will be in what kind of instructions the government gives its negotiators for the round of economic global negotiations that must follow the North-South summit.

The proof will be in how well the government follows the admonition of Lester B. Pearson in his Nobel Peace Prize acceptance speech that economic and social progress is a political imperative in every quarter of the Globe. Mr. Pearson said:

If we ignore this, there will be no peace.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

Mr. Deputy Speaker: At six o'clock the hon. member for Edmonton South (Mr. Roche) had finished his remarks.

[*Translation*]

I recognize the hon. Minister of Economic and Regional Expansion.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, it is an honour for me to outline in this House the policy that the Canadian government has followed for many years to promote the progress and development in all its national and international elements of what I could describe as the community of fully or partially francophone countries and peoples. In short, I should like to assess the present situation and future direction of the francophone community.

Mr. Speaker, Canada has played a basic role and continues to be at the forefront of the creation, support and implementation of this cooperation and dialogue among the peoples and nations which make up the international francophone community. Canada has acted and continues to act jointly and simultaneously both multilaterally and bilaterally with all these countries which share the French language as a means of communication.

This expression of closer ties, co-operation and mutual assistance required in a world of complex and interdependent relationships in all its human and technical aspects has led to the creation on the international level of many intergovernmental institutions, of which the most important is the Agency for Cultural and Technical Co-operation, without forgetting the annual conference of ministers of education and that of the ministers of youth and sports, as well as to the creation of non-governmental organizations and associations which are also very active in the international francophone movement.

The Canadian government has been very active within the francophone community from its very beginnings. It has played a major role in the creation and development of its many institutions since the 1960s. The development of the French fact in Canada and its extension externally has been a profound motivation for Canadian involvement. The extension of Canadian bilingualism on an international level and the participation of Canada in the international French-speaking community are a fundamental and permanent element of its foreign policy. The existence and vitality of French language Canadians provide a means and an opportunity to develop relationships and bonds of solidarity and co-operation with many countries in Europe, Africa, the Near East, Oceania, North America and Asia, which for a diversity of historical reasons and to various degrees, use French as their language of communication. The same can be said about the opportunities for fruitful contacts and exchanges with a great many countries throughout these same continents which, like the English-speaking community of Canada, speak the language of Shakespeare. It seems to me that for a young and dynamic country, Canada is placed in an exceptional situation by having what could be described as natural bonds of understanding with more than half the countries of the world.

● (2010)

In this context, we have established a network of bilateral diplomatic representation with all French-speaking countries. We have developed with them an important program of co-operation for development purposes. We have initiated a political dialogue on major international issues and we have finally become members of all multilateral French-speaking organizations.

In fact, the central government is not solely responsible for this effort at creating closer ties. This concers all Canadians and indeed benefits all Canadians, since the Commonwealth implies the Canadian population as a whole. While Quebec naturally became interested in the French-speaking community very early, the federal government on the other hand has tried to urge the governments of the other provinces with large French-speaking populations to also play an active role in this regard. For instance, representatives from the four provinces,

Ontario, New Brunswick, Manitoba and, of course, Quebec were part of the Canadian delegation to the conference that established in 1970 the Agency for Cultural and Technical Co-operation. The major centre of French language and culture in Canada, the province of Quebec, in agreement with the Canadian government, has held from the start a special place in the governmental francophone community, through its status of participating government.

In December 1977, New Brunswick, as a 42 per cent French-speaking province, applied to the Canadian government for that same status of participating government. What exactly is involved by the participating government status? That status allows the Quebec government and the New Brunswick government to participate on their own behalf, but within the Canadian delegation, in the agency's activities and programs. That status allows them to have a seat and an identification plate at the discussion table, with the right to speak. It allows them to communicate directly with the agency on matters involving program planning. These two governments contribute financially to the agency's budget. Their contributions, also identified, are computed as a fraction of the Canadian contribution of which they are an integral part.

That kind of status developed by the Canadian government is absolutely unique. Nowhere else in the world is to be found a similar arrangement, under which the federal government grants to the government of one of its provinces or federated states a special status to participate on its own behalf in an international or regional organization. This is to be found nowhere else in the world, and I suggest it is the most perfect example of the flexibility of the federal government to allow provincial governments, within their own fields of jurisdiction and to the extent compatible with Canada's foreign policy, to fully participate in international organizations.

Information and consultation mechanisms have been established between these two participating governments and the national government to ensure active and genuine participation from the three governments, while ensuring united Canadian action within the community of the agency's members.

Canada is involved in all of the agency's programs, with a view to maintaining a balance between cultural and technological activities. To that end, in 1975 Canada proposed the establishment of the Special Development Program, or SDP for short, patterned after the Commonwealth Fund for Technical Co-operation. Financed through voluntary contributions, the SDP reviews and carries out modest technical assistance programs geared to the needs expressed by any ACTC member, especially in the fields of education, training, research, agriculture, health and social communications. By establishing the SDP Canada wanted to revitalize the ACTC and turn it into a concrete instrument of solidarity to complement more significant bilateral and multilateral aids.

I might even say, Mr. Speaker, that in the twelve months I have been acting as advisor to the Prime Minister (Mr. Trudeau) and to the Secretary of State for External Affairs (Mr. MacGuigan) on relations with French-speaking countries, a number of them told me that their interest in the agency is directly related to that aspect of co-operation at the social, technical and economic levels, and a great many of them would be much less interested if the agency were to restrict its activities solely to the defence and the renown of the French language. That is another way of saying that Canada was right to insist that the agency be also directly involved in socio-economic co-operation in addition to its cultural vocation. Very recently the agency has become the site for sectorial ministerial meetings. The first of those meetings was held in Luxembourg in 1977 for ministers of science and technology. The second took place in September 1980 in Paris where justice ministers gathered and there I acted as representative of the Canadian government; similarly, there was a conference of agriculture ministers in March 1981 and I had the opportunity to attend as spokesman for my colleague who holds that portfolio. The ministers for cultural affairs will get together in Cotonou this coming September. Other ministerial meetings are scheduled for 1982 and the following years. Slowly but surely the ACTC is getting to be the foremost and privileged centre for French-speaking communities. One of the objectives of the Canadian government is to have the agency regroup, under various forms, most of the activities of international French-speaking communities. However, when we speak of international French-speaking communities we must be very careful not to see today's reality solely through the prism of language.

Many of my counterparts whom I had the honour to meet during my various trips, a great number of the participating countries which are full members of the agency told me that on several occasions. Several of those countries have barely 2 or 3 per cent of their people who speak French. It would therefore be a serious mistake to try to look at reality solely through the prism of language. To the extent that language will help us to communicate and draw closer together, we will extend, enrich and deepen those relations which should be developed and bear fruit in all areas.

On the other hand, it must be kept in mind that the international French-speaking community emerged from various private French-speaking associations, some of which go back to some forty years. Most of them had a professional basis, such as the Association internationale des parlementaires de langue française, the AIPLF of which I have been appointed delegate for the Americas, or still l'Institut de droit d'expression française, or IDEF, which will hold its fourteenth convention in Montreal in September following the joint invitation of my colleague, the Minister of Justice of Canada (Mr. Chrétien) and the Quebec Minister of Justice. Others regrouped according to their common goals such as AUPELF, the Association of partly or fully francophone universities, which is to hold its convention both in Quebec City and

Ottawa in September of this year, or CIRTEF, the International Council of francophone radio and television stations, which was created in 1978 at the suggestion of the Canadian government. CIRTEF regroups most of the francophone radio and television stations in the world.

● (2020)

The government of Canada of course provides financial assistance to a large number of these organizations which are either Canada-inspired or include a major Canada participation. At a time when co-operation among the people and cultures of the world is ever increasing, the importance of non-government international organizations is also increasing, and our financial contributions are a tangible encouragement to various Canadian groups actively involved in international activities.

While this new form of multilateral co-operation was developing, Canada was therefore establishing diplomatic relations with all the francophone countries, and slowly but surely we have set in motion a program of co-operation which, I hope, will be in full swing very soon. So will it be with all exchanges at every level, whether commercial, economic, social or cultural, and to crown this effort at rapprochement based on a better knowledge of and co-operation with these various countries, it will surely be possible eventually to consider jointly with these countries means of bringing about a *rapprochement* in the world and ensure peace on earth.

What are in fact the goals we are pursuing in our bilateral relations with these countries, especially African countries to which I feel particularly attracted? Our first goal is obvious: Canada seeks to affirm and show its French personality as well as its sincere interest in the cutural development and enrichment which we are likely to get from contacts with others. Needless to say, Canada as a whole should be involved in this undertaking. Our second goal is also clear: to help these countries which are among the neediest in the world. It is both our duty and our responsibility within the world community.

The third objective is to promote Canada's interests in major areas tied up with political, social economic and commercial elements. Therefore we must establish with these countries relationships that will be as extensive and varied as possible. As advisor to the Prime Minister and to the Secretary of State for External Affairs for relations with French-speaking countries it is a pleasure for me to give you some detailed information regarding the state of our relations with these francophone countries and prospects for the future.

In behalf of the Secretary of State, I have already been on official business to France, Belgium and above all to a great many countries of Africa. Last January, for instance, I went on official business as Canada's representative to express our goodwill and intentions of co-operation to four countries in the Sahel, namely Mali, Upper-Volta, Niger and the Ivory Coast. I just returned last week from an official visit to Guinea and Gabon.

I can tell you all the admiration and esteem that these countries feel for Canada and the Canadian people. Everywhere no matter in which countries I had the honour to represent my fellow citizens, there was a tremendous expression of sympathy for Canada because all these countries acknowledged that neither by tradition nor by inclination we were interested in a sphere of influence but simply to express in a concrete manner our feeling of solidarity towards mankind. Canadian aid which amounts presently to about $150 million per year just for francophone Africa is appreciated because as I just stated it is given with no ulterior motives and it meets needs and priorities as defined by the governments with which we enjoy close relationships. Canadian aid, which is administered by highly capable Canadian representatives and experts, is considered to be very effective in all those countries. Besides this bilateral aid, Canada contributes substantially to multilateral and regional organizations operating in Africa. For instance, for a long time Canada was the greatest contributor to African development funding and I think that today we rank second or third with regard to our contributions to the entire African continent.

I must also add that our relations with those countries have been open and friendly. Everywhere I have been, like my predecessors, I have had open and constructive discussions with local officials. Canada's advice and support are sought and solicited everywhere. The meetings that I have had with each head of state of those friendly nations, and only last week I spoke with President Ahmed Sekou Touré of Guinea and President Albert-Bernard Bongo of Gabon, show that our relations are diversified and that we are aware of all the latest problems. Guinea is reaching out for Canada while at the same time Canada, through this African state, is widening its audience in Africa. My meeting with the President of Guinea marked the first official visit by a Canadian minister since the country became independent in 1958. I saw that the president of Guinea is considered, not only in his own country but also throughout the continent and the islamic world as a great leader who was able to forge a nation in his country, where private Canadians interests have been represented for many years. He was kind enough to grant me four meetings with him and we discussed various current issues. I also met with the President of Gabon, and of course all the signs of friendship which were expressed were not directed to me personally but to the Canadian people as a whole.

There exists between Canada and the French speaking countries, both at the bilateral and the multilateral levels, common grounds for co-operation and understanding. In this world which is divided in rich and poor nations, industrialized and developing countries, along a North-South or an East-West axis, Canada is a in a good position to effect a rapprochement between both sides, and to define, with those

countries, the means to help achieve harmony and make development a success. The trips of the Prime Minister as well as my own trips have convinced me that we stand to gain in every way from building closer ties with french speaking countries like Canada. In closing, Mr. Speaker, I should like to emphasize that many Canadians, missionaries, volunteers, businessmen, have worked and invested everywhere throughout the francophone world. Whether they come from Quebec, Western or Eastern Canada or Ontario, all those Canadians have made a significant contribution to the co-operative efforts made by the Canadian government. In addition, I am proud to note that the Canadian government policy with regard to the international francophone world is non partisan and involves all parties in this House. Indeed, I want to congratulate the former secretary of State for external affairs and his government who, in this regard, were as active as the preceding government and also, in this field, performed in exemplary fashion.

I intend to pursue my work especially in Africa, I urge my hon. friends, ministers and hon. members to go there and concretely foster ties that are not only dear to us but let us admit it, useful in every way. I have had the opportunity to discuss topics which are of common interest to ourselves and our African hosts in a very positive way, such as the United Nations, the law of the sea, disarmement, trade, peace in the world, first and foremost on African soil, because Canada is implementing a policy of co-operation, mutual aid, assistance and friendship with those countries, in short, one of concrete political presence. Mr. Speaker, we must strengthen our role in support for and contribution to the international francophone world and our co-operation with all the countries involved. Every part of Canada will be the richer for it.

• (2030)

[*English*]

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I should like to congratulate the hon. Minister of Regional Economic Expansion (Mr. De Bané) who has just spoken. I assure him that as puzzled as we might be as to how it falls under his responsibilities in the Department of Regional Economic Expansion to tour Africa, most of us on this side are glad he did because his interests are well-known and his sincerity is unquestioned in this area.

I listened with interest to all the speeches thus far today. I think the speech of the Prime Minister (Mr. Trudeau) was perhaps very thoughtful. I will read it carefully tomorrow. I rather think his coach, Senator Davey, perhaps told him to give a flat speech today, not to hit any high points. I was surprised by the number of absentees on the other side. That party usually has a very, very good turnout for the Prime Minister's remarks, yet today I counted only 42 members, which means that there were over 100 missing. Considering he only speaks perhaps once a year in the House, I would have thought they could have done better for him.

As usual I was pleased with the remarks of the hon. member for Kingston and the Islands (Miss MacDonald). She and I have been working together in the closely allied areas of external affairs and defence for several years without a single difference. We both seem to know exactly where the fine line is which divides the two departments. Of course the hon. member for Edmonton South (Mr. Roche) is much like the Minister for Regional Economic Expansion, his credentials are such that everyone listens to him with a great deal of attention on this subject.

The hon. member for New Westminster-Coquitlam (Miss Jewett) gave a very interesting speech. Her answer to the hon. member for Nepean-Carleton (Mr. Baker) was particularly apt when she said that it was the policy of the NDP to withdraw from NATO. I hope the leader of the NDP will be here tomorrow to give his version of it. I understand that the hon. member was speaking this time for the party, not the way she spoke a year and a half ago when she and her leader were speaking out of opposite sides of their mouths about the same party. I had the foolish notion that the NDP settled these matters at its annual conferences, but it is nice to have it settled already.

Of course the policy of withdrawing from NATO would upset some of their party's colleagues in Norway, Belgium, Denmark, West Germany and France. I would have thought the NDP would have a link with international socialism, but perhaps not. In any case, I look forward to hearing the hon. leader of the NDP tomorrow. The last time he spoke in the House he came out four square for closure; I think the House leader of that party has been somewhat pale ever since. He gave a rousing speech in support of the Prime Minister's use of closure in the Constitution debate. Perhaps tomorrow will be as interesting as today.

The Canadian defence policy is tied inextricably to the foreign policy. Because of our geographic location, economic interests and cultural ties with the western world, we have a foreign policy which has as its cornerstone the maintenance of a defence force and a military alliance with 14 other nations of the western world.

The North Atlantic Treaty Organization provides us with increased security and economic benefits. Also it provides us with a voice in international decision-making, if we care to use it, sometimes we appear not to care to use our voice. These benefits do not come to us very cheaply. Membership in the NATO alliance carries responsibilities with it. Unfortunately, while we have been only to eager to accept the advantages of our alliance, we have been lax in shouldering our share of the burden. In 1978, the members of the NATO alliance agreed to increase defence spending in real terms to 3 per cent annually over a five-year period, ending in 1984.

Canada currently spends 1.7 per cent of its GNP on defence. The only country in the NATO alliance which spends less on defence is Luxembourg. Even Portugal, with all its economic problems, manages to devote 3.4 per cent of its GNP to defence. In terms of per capita spending, in United States funds Canada spends only $166 compared with the United

States which spends $527 and the United Kingdom which spends $276. In 1978 when the 3 per cent decision was taken, Canada was already low man on the totem pole in terms of defence spending. It is interesting to see how we have done since then.

In 1978-79 Canada increased its defence budget in real terms by 2.79 per cent. In 1979-80 the defence budget decreased in real terms by .23 per cent. That was the year the Conservative government was in power and spending Liberal estimates. The final figures have not yet been made available for 1980-81, but it is estimated that the budget increased by 3.5 per cent. That was last year when the Liberals were spending Conservative estimates. It appears as if we might be pulling up our socks, but let us look closely at 1981-82.

When the estimates were tabled in March of this year, the minister appeared before the Standing Committee on External Affairs and National Defence and explained that the increased budget contained provisions for a 3.1 per cent increase in real terms, plus an increase due to inflation of 11.7 per cent. This was based on the November, 1980 economic model, as it is called in the Department of National Defence. The May, 1981 economic model revises the inflation figure upward to 13.4 per cent. The extra 1.6 per cent to cover inflation can only come from the funds allocated to the 3.1 per cent real growth.

Since we are operating under the envelope system and that no further funds except to cover higher than anticipated pay raises can be allocated to the department, the real growth for 1981-82 can only be a maximum of 1.5 per cent and in all likelihood will be much less. This funding problem is exacerbated by a minister who at times does not seem to know what funds he needs to meet his commitments.

I should like to say at the outset that the Senate committee on defence has done a much better job this spring than the Standing Committee on External Affairs and National Defence in the way it has heard witnesses, gathered information and formed opinions. Frankly, I read the minutes of the Senate committee to get much of the evidence we seem unable to obtain in front of the standing committee of the House of Commons. At a Senate committee meeting in December, 1980, the minister listed what equipment the Department of National Defence will need to purchase between now and the year 2000. It was a long, expensive list but when questioned about the costs, the minister said:

> If we had 3 per cent till the year 2000, I think you can say we can cover that.

However, at a meeting of the standing committee in May, 1981, the minister appeared to change his mind because he said:

> Obviously, I do not think that with a 3 per cent growth for the next 19 or 20 years that we could have all that—

He was speaking of the list of equipment he had mentioned before. When figures are published showing how little Canada contributes to defence, the standard government story is that money does not tell the whole story. We are upgrading the quality of the forces commitment to NATO, and that is just as important.

• (2040)

Well, it behooves us to have a look at what we do contribute in manpower and equipment to the defence of the free world. At first glance it may appear that we have an 80,000 strong fighting force to contribute to the defence of Canada and the West; but that is not entirely accurate. According to the 1980-81 military balance which is published by the International Institute of Strategic Studies, our forces, at the time of compilation, had a total strength of just over 78,000. However, 45,317 of that total are support staff. While these people are vital to the effective operation of the forces, they do not make up the fighting arms of the forces. The other 33,000 in forces personnel are divided into army, 12,675; navy, 5,327; and air force, 15,327. That is an interesting figure in itself. Canada is the only country which has more manpower in its air force than in its army. Despite this fact, our air force has a very serious shortage of pilots.

The army, our mobile command, is comprised of three brigade groups and the special service force. One of the three brigade groups, 4 Canadian Mechanized Brigade, is stationed in Germany and has a peacetime strength of approximately 3,400. In times of crisis, that group will be brought up to a strength of 5,600. The 4 CMBG, the Canadian Mechanized Brigade group, operates with only two infantry battalions instead of three; so, while it is called a brigade group, it is actually incomplete.

Mobile command also has committed 4,000 troops to Norway. Part of that commitment is formed by the special service force which, Your Honour may remember, is currently serving in Cyprus on peacekeeping duties. In times of tension, these 4,000 troops will be carried over by airlift to northern Norway; their equipment will arrive by ship three weeks later. One does not have to be a tactician or strategist or genius to see that there is something that does not quite balance in these figures. The fact is that we do not have sufficient numbers in mobile command to carry on peacekeeping duties and at the same time to send the 4,000 troops to Norway, which we might be asked to do.

Adding these figures up, in times of tension, Canada will have 10,000 troops overseas, including those on peacekeeping duties, out of a total of 12,600. Therefore, in Canada, we are left with 2,600 troops to provide reinforcements for our brigage in Europe, to protect our borders and to cope with any problems, such as an apprehended insurrection in Canada. Your Honour may recall that this government, at times, declares apprehended insurrections with very little evidence.

Obviously, mobile command needs more troops if it is to handle all the tasks which are assigned to it. General Paradis, the former commander of mobile command, estimated that he needed 5,000 more men in the army alone to achieve a balanced organization and realism in our tasks.

In the event of war, our troops in Europe will have to be reinforced. Our reinforcement plan is based on various statistics. Admiral Allan, now deputy chief of the defence staff, told the Senate committee:

If you are asking whether I think those factors are realistic, I have to put on my operational commander's hat and say that I have some doubts about the veracity of some of those statistics.

The important point to remember here is that any future war will be fought with the forces in being. There simply will not be time to recruit and train the additional hundreds of thousands that we did in World War II.

Reinforcements to Europe will be ferried over by ship. Canada's maritime commitment to NATO involves, by the use of our destroyers and long range patrol aircraft, keeping the Atlantic sea lanes free of enemy ships and submarines so that allied ships carrying reinforcements and supplies can reach Europe.

According to Admiral Timbrell, retired commander of maritime command, in order to fulfil our maritime role adequately, we need 36 destroyers, of which we currently have 23, with only 20 operational; we need 12 minesweepers, of which we have none; 10 submarines, of which we have three; four supply ships, of which we have three; 36 long range patrol aircraft, of which we have just purchased 18, and four of them will be on the west coast; 40 short range patrol aircraft with an antisubmarine warfare capability, of which we have none; and 40 helicopters, of which we have 33 for military tasks. These figures indicate that we should be doing more. The government protests that it is doing more, so let us have a look at what it is doing.

We are supposed to be buying six new patrol frigates to replace our six oldest destroyers, but we are already two years behind schedule on that purchase. Beyond that initial six, the government has no plans as yet to replace the rest of the fleet. Even with the destroyer life extension plan now under way, unless there are new orders placed, by 1992 we will be down to 15 destroyers and in 1996 we will have a 10-ship navy, the four DDH-280s and the six frigates.

In addition to this downgrading of our destroyer force, the government has no plans to buy any minesweepers and no plans to increase the size of our submarine force. Our LRPA or long-range patrol aircraft purchase is at an end, and there are no plans for additional purchases. New short range patrol aircraft are on the books for a future purchase, but no definite arrangements have been made. I would heartily recommend that some reading be done of the danger, in a high technology field with a small force, of purchasing planes as technologically advanced as the LRPA or the F-18, as the costs soon run away with the entire budget for a service, if one is not careful. That is what has happened with the LRPA and will happen with the F-18.

This brings me to the last aspect of our NATO commitment which concerns 1 Canadian Air Group based in West Germany. Currently it operates with three squadrons of CF-104s which will be replaced by the new F-18A. What is interesting about this commitment is that we have repeatedly used the NFA purchase to impress our NATO allies with our qualitative upgrading. However, at the moment, there are no definite plans to replace our low level air defence equipment, which currently consists of vintage 1940s Bofors anti-aircraft guns and blowpipe missiles. This equipment is so inadequate that *Financial Post* writer, Robert English, was forced to conclude:

—our bases can only be defended if the enemy gives us lots of warning, picks a sunny day and promises to fly slowly.

The ridiculous part of this is that while we are committing an expensive and technologically advanced aircraft to the front line defence in Europe, we have no way of protecting those aircraft. Chances are, in the event of war, our F-18As would have a rather basic difficulty: their own airfields would be untenable and unusable.

Therefore, while the listing of our manpower and equipment commitment to western Europe may look respectable on paper, what it actually comes down to is that we have insufficient manpower, inadequate and outdated equipment, and are spreading ourselves too thinly. While this may appear to be a Canadian problem, it actually is more far-reaching than that. Because we are a member of an alliance, other nations are depending on us. If we are unable to perform our roles adequately, we become a liability to the NATO alliance. I do not believe for a minute that we can carry out the commitments we have made.

The tasking of our military with several roles is not based on any military appreciation of the situation. Military men know that we have a ludicrous scenario in front of us. Rather, this whole plan is the result of political and economic factors. Whether or not we are making a solid contribution to the alliance is not important to this government; rather, we must make a good showing. In order to show our faces in international circles, we must at least look as if we were doing something to protect the western world's interests.

But there is another side to this as well, and that is, we are not fooling anyone. As Nicholas Stethem told the Senate committee:

The nature of the international diplomatic beast is such that no one will say Canadians have let the side down. They are going to say nice things if we make any effort at all.

A fine example of this was the comment made by Sir Jack Harman, DSACEUR, at this year's conference of defence associations. He was talking about our 4 CMBG in Europe when he said:

Indeed, our senior officers in ACE are unstinting in their praise and consider it to be the best formation of its size in Europe.

Notice that he said, "of its size". You can read this as meaning "Why isn't it bigger?".

In the final communiqué issued after the May, 1981, Defence Planning Council ministerial session, recognition was given to "situations outside NATO's boundaries" which may "threaten the vital interests of the west". While extending NATO's boundaries was not considered to be the answer, the NATO ministers decided that individual countries may decide, in order to protect their vital interests, to deploy forces outside the NATO area. The U.S. rapid deployment force (RDF) was given as an example of such a force.

● (2050)

This raises at least two questions to my mind. We are continually being treated to philosophical statements in matters of defence, but we get very little of substance. In this instance, what does Canada consider a threat to its vital interests? In the absence of any definite statement from the Secretary of State for External Affairs (Mr. MacGuigan) or the Minister of National Defence (Mr. Lamontagne), are we to assume that if any one NATO nation considers its vital interests threatened by, for example, an insurrection in one of the oil-producing countries of the Middle East, then we too would consider our vital interests threatened by virtue of our alliance, and thus deploy forces to the area?

This question is especially in need of an answer since the minister told reporters that Canada was willing, in principle, to contribute to a U.S. rapid deployment force in the Middle East. Why would we contribute to the RDF, and is this actual government policy? I have never received an answer to this.

The final communiqué of that NATO meeting also noted as follows:

> National Defence planning should make provision towards compensating for changes in the availability of forces committed to NATO because of diversion or tasking on a national basis to carry out operations outside NATO's boundaries in support of the vital interests of allied countries.

Again, the question arises in light of this broad, insubstantial statement: What plans does Canada have? Will we increase our NATO commitment if European or U.S. forces are deployed elsewhere? Will we buy more tanks, increase the size of mobile command's forces in Europe or send more F-18s over? Will any increase in our European commitment come from our forces in being, or will the government allocate more resources to our overtasked, undermanned defence department? This is a very good question and no one seems to have an answer that they want to share with the House of Commons.

I would now like to turn to another one of our international commitments—peacekeeping. Canada has a good record in this area and, as has often been noted, Canada heads the list whenever a new peacekeeping force is being considered; as it should, because of the fine quality of the troops we have sent almost everywhere in the world on peacekeeping missions.

Mobile command is the service arm that provides the peacekeeping troops. Hon. members will remember that that is the command I spoke of earlier as being strained by manpower shortages. Currently, we have approximately 750 troops out on peacekeeping duties, and it appears we may be asked to contribute up to 1,000 more for duties in the Sinai.

The government's present policy is to have no more than 2,000 men out on peacekeeping duties at one time, so participating in the Sinai force appears to be within our means. But let us not forget that in the event of increased tension, it is Mobile Command's troops that have to be sent to Norway and central Europe.

Even when all is "quiet on the western front", to use an old phrase, Mobile Command feels the strain of deploying troops around the world. Here is how Brigadier General Beattie explains the problem:

> When one picks an infantry battalion, it goes as a unit . . . But, when one starts providing support troops, one has to denude a whole formation of all its support in order to provide a service battalion, for instance; and yet, if one takes a service battalion as such from one of the brigades, that deprives the brigade of all its support services. Thus, one should try to take elements from various brigades across the country in order to spread the strain rather than concentrating it in one or two areas.

I may be jumping the gun, worrying about our involvement in Sinai peacekeeping. The ministers to whom we look for direction in this area, the Minister of National Defence and the Secretary of State for External Affairs, cannot seem to agree between themselves. The Minister of National Defence has stated that any request for troops will be listened to sympathetically because he does not think "Canada wants to refuse to keep the peace in any way we can in any part of the world." The Secretary of State for External Affairs, however, is not so co-operative. He told reporters that he did not want to become involved in a process over which we have no control and which may not be going anywhere.

A former secretary of state for external affairs, Hon. Mitchell Sharp, set out eight precepts that he wanted to be followed before our troops went overseas on any peacekeeping duties. The first was that it should always be under the UN auspices. The one that is now the subject of discussion comes under the agreement reached among the United States, Israel and Egypt as a result of the Camp David talks.

If this keeps up, we will have 1,000 troops on peacekeeping duties in the Sinai before the Minister of National Defence and the Secretary of State for External Affairs know they have gone.

Canada has chosen not to stand alone in an armed world but has chosen to ally itself with like-minded nations. In return for increased national security, Canada must pay its dues. As our Prime Minister once said in his elegant style, "put up or shut up".

The men and women of our Armed Forces are doing the best they can with the resources available to them. As many witnesses before the Senate committee hearings have noted, it is a "can do" attitude. But that is not enough. These professionals need support—support from the government, and support from the people.

Changes need to be made within the Department of National Defence, structural changes and functional changes. More funds need to be allocated to the defence of this country. If we were unable to protect ourselves, we would be unable to follow a separate foreign policy, which means even our domestic policies would be under the control of foreign nations.

Too often, when constructive criticism is levelled at the defence policy of this country, the Minister of National Defence and his department close ranks as if under seige. Rather than look closely at the problems facing them, they adopt a "kitty bar the door" attitude for maintaining the status quo, as witness their recent decision to brief the senators on their personnel deficiencies but only if the meeting was held

in camera. I was shocked a week ago today when defence officials would only give evidence on personnel strategies to the committee if the meeting was in camera.

Having some experience in this area, it is my opinion that if the minister and the Department of National Defence do not develop an ability to become self-analytical and stop being so self-protective, then sometime, sooner rather than later, there will need to be a royal commission of inquiry into the administration and structure of that department. This country is not getting $6 billion worth of defence this year. When I say that, I am thinking particularly of the troops that are up front, the number of ships we have and the number of sailors to man the ships; the number of aircraft we have and the number of people we have to fly the aircraft; the number of tanks and other army weapons we have and how many men we have to man them. It does not seem to me that we are getting $6 billion worth of defence. The Canadian people are willing to pay, but they want to, and have a right to, know that their money is being spent wisely.

To become an equal partner instead of a reluctant ally in the North Atlantic Treaty Organization, Canada must review its defence policy. It must bring the defence policy to the people for approval and support.

Our way of life depends on the western world being able to protect itself. If we are not willing to defend what we consider to be right in this world, then we could well lose it.

Some hon. Members: Hear, hear!

Mr. Chas L. Caccia (Davenport): Mr. Speaker, I should like to express my support for the motion before us and to congratulate the government and the NDP for making time available for this two day debate on foreign affairs issues. It is unfortunate that members of the official opposition played the role of Scrooge in this respect, by refusing to donate one day for this purpose despite their great declaration this afternoon in favour of making Canadians more aware of foreign affairs issues. It is typical of the Conservative party to preach in one way and to act in another.

Mr. Baker (Nepean-Carleton): What a distortion.

Mr. Caccia: I realize from the silence into which the hon. member for Edmonton-Strathcona (Mr. Roche) has sunk, that he is inclined to agree with me.

What I have to say this evening is this, in summary, Mr. Speaker. It is a three-way plea to the government in connection with the July summit and the United Nations, starting from the premise that can there can be no successful North-South dialogue and policy without East-West relations in good shape and without peace in the world. I will also make an up to date, brief report on the CSCE in Madrid. Finally, I will put on record some passages from the United Nations report on nuclear weapons and conclude with some brief questions flowing from it.

• (2100)

Let me start with my first plea to the government which has to do with the July summit. The monetary policy pursued these days by Washington is putting the economic health of the western nations in serious danger because of the effect that monetary policy is having on Canada and on western European nations. As hon. members know, the tight money policy has driven interest rates to an all-time high. In addition, the policy pursued by Washington is coupled with a tax cut, which really puts more consumer money into circulation. The combination of the two has created a situation whereby capitals in neighbouring countries find it very attractive to take advantage of the interest rates which prevail at present in the United States. This has put quite a strain on our currency and on the currencies of western European nations. I plead with the government to put this issue on the July summit agenda for an airing and to establish what will happen if this policy is not reconsidered.

At present, there is nothing wrong with the economic situation in Canada except one thing, namely, the monetary policy being pursued by Washington.

My second plea has to do with the summit and with the question of political will in East-West relations. This afternoon we had several interventions. All of them helped to cast some light on this problem and different approaches were taken concerning this rather complex issue. Hon. members should look at what is happening in Madrid and in Vienna at the disarmament conference, and as well at what the committee on disarmament is doing in Geneva. They will notice one common trend, namely, that in all three places where East meets West everyone is stalling. In other words, no progress is being made. What is going on in these three places is a highly organized and very interesting form of a modern minuet whereby alternative delegations make highly sophisticated interventions on a number of complex subjects motivated, I am sure, by good will, but when it comes to the crunch, no progress is made.

Why is progress not being made? It seems to me there is no political will. Where is the political will? Political will is an important aspect which ought to be explored and established.

Because of what happened in Afghanistan two years ago, the Western nations, Washington among them, have to make a decision as to what should be done in the light of the Afghanistan situation. Two years later it still seems to be the major bone of contention standing in the way of modest progress in relations between East and West. I agree with those who say that the invasion of Afghanistan was a reprehensible act; it was condemned by Canada and the west, and rightly so, and in Geneva, Vienna and Madrid at every forum and at every meeting which has taken place since that invasion it has been condemned. That invasion has damaged the Afghan people. It has also seriously damaged East-West relations. Serious damage has been done to detente; otherwise we would not be talking about it even in this House of Commons today.

The question that comes to mind in June, 1981 is how long should the world suffer the damage flowing from this action? That question leads to a number of different conclusions. I can

put forward only those at which I have arrived after serious thought. I can submit them only for your consideration, Mr. Speaker, and for the consideration of the House, not claiming, of course, that they are the ultimate or the correct ones. In all frankness, I cannot help but come to the conclusion that whether we like it or not, the Soviet Union saw a certain danger along its border. As a result, the Soviets decided to move in, probably taking an enormous risk and hoping that they could get away with it, or hoping that the invasion would not be related to the Helsinki Act or other major understandings between East and West. That was a very serious miscalculation. With the the Soviets there, the probability is that eventually Afghanistan will become another Soviet republic. It is a reality in the historical evolution of the Soviet Union. Once the Soviets move in, they are unlikely to move out unless circumstances change dramatically, and circumstances have not changed in that part of the world. As a result of that action, we saw the Soviet Union losing ground in detente vis-à-vis the west. The Soviets lost ground in the United Nations and they lost ground in relation to the Third World Nations.

But is there a point where the west should take advantage of a situation when the U.S.S.R. seems to be in a position of wanting to regain lost ground? Here we can do two things. We can continue on the road we have followed so far, develop a hard line position and tell them that we will not deal with them until they move out of Afghanistan. Or we can, at a certain point, take advantage of a situation of weakness in which the Soviets find themselves now, in a sense, because they wish to regain lost ground. This can be turned into an opportunity in favour of establishing a better understanding in that part of the world. Alternatively, perhaps we can achieve a certain kind of neutrality which is badly needed, particularly in that part of the world. This could lead to a resumption of detente negotiations.

I am inclined to believe that a point has to come when we must move onward, just as the world does. It is a question of timing. It is extremely difficult to decide when to move ahead. I do not think we will achieve much more by maintaining this element of stagnation and this prevailing lack of political will on the part of the West by not taking an initiative in relations between East and West on which the North-South dialogue hinges, in good part, by continuing too far along this road.

I said I would make a few pleas. My last one concerns the next conference of the United Nations in the spring of 1982, which is the special session on disarmament. In 1978 we came forward with an outstanding policy proposal which has become known under the name of policy of gradual suffocation of nuclear armaments. This, in part, has been put into practice. A number of aspects have become evident that need to be re-examined. We still have a good year ahead of us. I urge the government to look at the position we took in 1978 to see how we can put forward a renewed, typically Canadian innovative position that will win the respect of all the nations at the United Nations, as we have done since 1978 and in light of the experience in the intervening three years.

• (2110)

I will move on to give a quick report on where the Madrid conference stands at the present time. The fact that the Madrid conference is still on, having started under the most difficult circumstances, is a measure of the difficulty of reaching agreement between East and West. Nevertheless, the conference has served a very good purpose, that is of reviewing the obligations that nations undertook in signing the Helsinki Final Act. Canada placed great importance in 1975 on this review of the implementation of the Helsinki act for it makes little sense to go on formulating new agreements and new promises when old ones are broken, unkept or ignored.

We have taken a look at our own record and at those of other states. Together with other western nations we have been forthright in our criticism of the Soviet Union for its actions in Afghanistan which violated virtually every one of the principles set out in the Final Act: non-use of force, non-intervention in internal affairs, self-determination of peoples, human rights and fundamental freedoms.

We have also taken a firm stand on the importance of the respect for human rights by all participating states, and have protested at the Madrid meeting the denial of the right to leave one's country, harassment for applying to do so, the denial of religious and intellectual freedom and the persecution of individuals, such as that of the members of the Helsinki monitoring groups who have been imprisoned simply for seeking to know and act upon their rights. In so doing, we have attempted to reflect the deep concern which exists among Canadians, particularly those whose roots lie in eastern Europe, for the human rights' situation in the Soviet Union and certain other of the participating states.

There have been improvements since 1975. Although the record is mixed, the reunification of families divided by frontiers between East and West has benefited from the impetus provided by the CSCE process. Negotiators at Madrid are attempting to build upon those benefits which détente has produced and which still remain. They are also attempting to rectify the shortcomings in the fulfilment of the Final Act.

Among the principal preoccupations of the Madrid meeting is the question of security in Europe, and specifically the holding of a conference on disarmament. The western approach is that this conference should take place in stages. The first would develop certain measures to build confidence between East and West. In order to create confidence, these measures must be militarily significant, verifiable, binding and extend throughout Europe from the Atlantic to the Urals. While some progress has been made in bringing the Warsaw Pact position favouring a more declaratory and general approach to a disarmament conference closer to our own, differences still remain.

Seeking agreement to hold a disarmament conference has dominated the Soviet approach to the Madrid meeting. The West has sought to widen co-operation in the other areas. We have sought to improve contacts between western businessmen and their eastern counterparts; to better the conditions under which they may set up business offices in east European

countries and gain access to financial and commercial information; to improve further the record on family reunification and travel for family meetings; to improve working conditions for journalists; and generally to try to achieve a freer flow of people, information and ideas across frontiers between East and West. Many of these ideas came up in the presentations made last autumn to the parliamentary subcommittee of this House on the Conference on Security and Co-operation in Europe in preparation for the Madrid conference, and appeared in the recommendations that were tabled in this House.

The Canadian position at Madrid is that progress should be made in developing co-operation and restoring confidence across the whole range of provisions of the Helsinki Final Act. To do so we must also make progress in a further area where confidence between East and West is woefully lacking and which directly affects Canadians' perception of détente, and that is in human rights.

The western nations have put forward proposals at Madrid for the protection of Helsinki monitors, for the right to practise religion, individually or in a community, and this is Canada's idea, for holding a meeting of experts of all participating states to discuss the approaches to human rights and the role that individuals and governments play in the exercise and protection of those rights.

After months of discussion and negotiations, eastern and western approaches to the key issues of security and human rights have not yet been reconciled at Madrid. We believe, however, that the negotiations must continue as long as there are some prospects of substantive results. Here the question of the political issue comes into the picture. With those words, I will move on to my last topic.

This has to do with the report that was published last fall by the United Nations entitled "A Comprehensive Study on Nuclear Weapons". That report, among other things which time does not permit me to put on record, notes that from 1968 to 1979 the total number of strategic nuclear warheads increased from 4,500 to at least 9,200 in the United States and from 1,000 to at least 6,000 in the U.S.S.R. These figures are probably outdated by a year and a half if not two years.

The report further points out that the exact number of nuclear warheads in the world today is probably not known by any single person or institution. Estimates cannot be verified officially. Published figures indicate, however, that the total may be in excess of 40,000. In terms of explosive power, these warheads are reported to range from about 100 tons up to more than 20 million tons equivalent of chemical high explosive.

The largest weapon ever tested released an energy of approximately 4,000 times that of the atomic bomb that levelled Hiroshima. There is in principle no upper limit to the explosive limit that may be obtained. The present total strength of arsenals may be equivalent to about one million Hiroshima bombs, some 13 billion tons of TNT.

I will stop there because enough has been quoted to raise the following question that came to my mind when reading parts of this report which was made public last fall. Against this nuclear background, the question that comes to mind is how can a claim be made that we will resume negotiations, or that any side can resume negotiations once it no longer perceives itself to be in a position of weakness? How do you measure and achieve a perfect degree of balance in this kind of business?

Let me put it a different way. Who is to assure us that the other side is prepared to negotiate with us when they are in the position of weakness when we are superior, when we are not willing to negotiate with them when they are superior to us in strength? If we are not prepared to negotiate out of a position of weakness, what makes us assume that the other side would, or, to put it in another form—and I will conclude with this—if each side is prepared to negotiate with the other side only when in a position of superiority, when, if ever, will both sides perceive to be superior to the other side at the same time? Here, in conclusion, I say to you, are the elements of a modern Greek drama entitled "The Nuclear Spiral". Thank you, Mr. Speaker.

• (2120)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to express my appreciation at this time for the opportunity of taking part in a debate on a government motion on the matter of external affairs. This really is almost unique. It is not unique to the extent that it is the second opportunity we have had in my lifetime in Parliament, which is almost eight and a half years—I repeat, the second time within eight and a half years—to debate external affairs in this House on a government motion. We note the condescension and hypocrisy oozing from that side this afternoon because of what they perceived to be their magnanimity in having brought forward a motion of this sort to be debated in the House on this occasion. No one to my knowledge, and I have sat through all the speeches, has read this motion into the record with all the inflaming words used in it. It is really earth shaking. Let me read it. It states:

> That this House take note of the present state and future prospects of Canada's international relations and endorse the broad thrust of the report of the Parliamentary Task Force on North-South Relations.

I might add that there is no vote on this motion but we are to take note and endorse.

When the Secretary of State for External Affairs (Mr. MacGuigan) rose to speak today, he did endorse the broad thrust of the report. Without going much further than that, he endorsed it. It was also notable that it was the first time in this House, to my knowledge, and I stand to be corrected on this, that this Prime Minister (Mr. Trudeau) has taken part in a debate on foreign affairs.

Let us recognize as well that this government demolished an opportunity for this House to make an inquiry into foreign policy, as drawn up by the government of the Right Hon. Leader of the Opposition (Mr. Clark). Not only did this

government demolish that opportunity, it destroyed by fire thousands of documents and studies from the Privy Council office that were destined to be distributed across the country and for study by the Standing Committee on External Affairs and National Defence.

Mr. Caccia: I rise on a point of order. The hon. member has just made a very serious allegation. I challenge him to prove it.

Mr. Munro (Esquimalt-Saanich): That is not a point of order, but it is true. Where are the documents now, I might ask that interloper who has just stepped into the debate? He has just had his time, said he concluded his remarks, but he is back on his feet. What has this government done now? Instead of permitting a thorough review of Canada's foreign policy, it has condescended to allow us one day's debate. We have had two days' debate in eight and a half years. This is the second day of debate during that time.

There was a foreign policy study in which I participated in 1969-70. The foreign policy review which was to have been undertaken by the Standing Committee on External Affairs and National Defence, or possibly a special subcommittee of that standing committee, was to have examined foreign policy and updated it in light of all the developments in foreign policy thrusts since the 1970s, for the 1980s, and on into the 1990s.

As I say, I find it difficult to accept this hypocritical washing and wringing of hands about the plight of the Third World by members on the other side, and I will come to that in a moment.

In view of the decision to give us one day's debate, the fact that the Prime Minister has taken part in it, and the fact that members of this government have demolished and destroyed those documents intended for a serious review in depth, I cannot help but ask myself, and I have been asking myself this question for about 48 hours, why the government has chosen this particular time for this particular debate. I ask myself this, particularly in view of other matters which are before us at this time such as legislation at the second reading stage, policy matters affecting Canadians, including interest rates, energy and inflation policy. They have all been put aside for this one day's debate. Why did the Prime Minister get involved in this debate? Is he setting himself up as the great manitou for the summit meetings which are to take place in July and, I think, in September in Ottawa and Mexico? Is he setting himself up as the great spokesman? If this is the way his spokesman's qualities are to be displayed, I cannot believe that those who will participate next month will be thrilled.

Having regard to energy policies which we might have been discussing, there is one incidental comment I should like to make at this time. When the Secretary of State for External Affairs was on his feet this afternoon he was chiding the hon. member for New Westminster-Coquitlam (Miss Jewett). He said he hoped "the hon. member would carry the same kind of message to Premier Blakeney of Saskatchewan, that good New Democrat who is sending Saskatchewan uranium all over the world for purposes which she says she so frankly detests". I would think a comment of that sort would be beneath the dignity of a minister. He knows perfectly well, and if he does not I will tell him now, not one milligram of uranium in any form leaves this country without federal permission. He knows that, or I am ashamed for him that he does not.

An hon. Member: Hypocrisy again.

Mr. Munro (Esquimalt-Saanich): Hypocrisy, yes, that is what it is. I say this not to defend Mr. Blakeney. It is directed particularly toward the Secretary of State for External Affairs, just in case he did not know there is no export of uranium from this country without federal permission.

● (2130)

I feel called upon at this stage to make another comment about energy. Further along in his remarks the minister spoke about the incredible impact of two global oil shocks on the Third World. No one argues that the Third World has suffered more than any part of this globe. It has suffered more than any population as a result of the sudden increase in the price of crude. We all regret that, but here is where the hypocrisy of this government comes in. This government could easily alter that situation by making Canada self-sufficient so that we would not have to draw down offshore resources, so that we could increase the global supply of offshore resources and thereby cause prices to go down and reduce the impact of high prices on the countries of the Third World. If what the government is doing is not hypocrisy, I do not know what is. I have a funny notion in the back of my head that this government had not even thought of that. However, instead of doing that, what does the government do? It indulges in demeaning internecine strife in this country. It exacerbated federal-provincial relations as never before, and I hope as never again.

I find these two comments of the Secretary of State for External Affairs this afternoon unworthy of him because I know his record. He has a good academic record, but somehow that integrity which typifies the academic seems to have been tarnished somewhat in recent days. With all these thoughts in mind I wonder, whether this particular debate we are having today is not something of a smokescreen or a treading of water while the government waits for something. What could this government be waiting for? I do not know, but I suspect it might be the Supreme Court ruling on the Constitution.

In this connection I am constrained to think about Canada's relations with Britain. This government has set itself up as the great defender of Canadian independence as a sovereign country, and yet it is asking Britain to do a demeaning job which this government does not want to do and which, within constitutional convention, Britain should not be asked to do.

There are parts of the constitutional package on which, of course, Britain is required to act. In 1931 Britain was requested by Canada to do certain things. However, Britain was not requested at that time or at any time, until now, to establish in Canada—by a British statute—a Canadian charter of rights, which will be a British statute. I do not know whether members of this government thought of that either.

In the course of doing what it is doing, this government is embittering the relations between this country and Britain, and for no good Canadian purpose I can see. Perhaps it is to meet the whim of an overzealous government which claims to be the great deliverer of Canada out of the bonds of colonialism. However, in the course of its action this government is turning on one of its principal friends and allies and destroying relations which have been built up over centuries with a country in whose traditions we live.

My motion under Standing Order 43 today, for example, referred to one of those traditions. Today is the 766th anniversary of the signing of the Magna Carta. We are among the beneficiaries of the provisions of that charter, and here we are having this debate today in order to mark time until the ruling of the Supreme Court and the ensuing debate here so that we can pass the resolution to Britain and thereby foul up the good relations which exist.

I feel I ought to make another not very pleasant reflection on the manner in which this resolution has been presented today. The proposal to have this debate came out during the exchange between House leaders on Thursday in the usual question. The proposal was that there would be a debate today. No mention was made at the time of a report on the government's reaction to the North-South report, yet today after having given the appropriate notice on the Order Paper—it must have been entered on Friday—that we would have this debate, there was no mention of the government's commentary on the North-South report. At two o'clock that commentary was tabled by the Secretary of State for External Affairs in a most cavalier fashion, as if it were of no importance. Just out of courtesy the minister might have passed that commentary around to spokesmen in the other parties so that they might have prepared their comments in the light of the comments of the government. The hon. member for Edmonton South (Mr. Roche) was able, by missing part of the earlier session, to look at the report and make some comments on it, but I can only describe this behaviour as sleazy. It has been a sleazy and devious method of dealing with a matter of such importance.

The prospects for Canada's relations with Britain do not appear to be good. The motion before us refers to the future prospects of Canada's international relations. One aspect of those relations is our relations with Britain. I do not think our relations with Britain will be anything of which we will be proud. Our ties with Britain date far back. Those ties relate to the family, to social organizations, to constitutional matters and even to our ethical values. Many of our ethical values are derived from our British connection, and now we are prepared to throw that connection aside.

However, there is another country—a close neighbour—with which we have ties which are somewhat different. They are simplified, and yet complicated, by the nearness of that neighbour. They are also vital to the well-being of Canada. I speak, of course, about the United States.

• (2140)

There are two areas at least in which this government has been neglectful, negligent and deserving of a round of adverse criticism. One affects the conclusion of bilateral treaties, and the other deals with the failure of this government to co-ordinate its economic relations with the United States. I would like to comment briefly on these two matters in connection with the Canada-U.S. relationship. We have a very good organization in the Canada-U.S. interparliamentary group. I think it is one of the most valuable interparliamentary groups in existence. I am very pleased that as secretary to that group I was present at the inaugural meeting and some of the succeeding meetings, and I now have the honour to be a member from time to time. I missed the Halifax meeting but I was at the meeting in San Diego about a year ago. I do believe that meetings of this sort deserve more time in the House and time ought to be found, if only at six o'clock, to make the reports of those meetings—I am talking about our relations with other countries and one way of pursuing those relations, and it was not because of a government with a Liberal stripe that that institution came into being. It was the result of the action of one John G. Diefenbaker whose name may be recalled by some members of this House.

One of the matters to which they have not done justice is to deal on bilateral issues on the basis of equality in the economic field. Everything is ad hoc. If a problem arises, the Minister of Industry, Trade and Commerce (Mr. Gray) or the Minister of Agriculture (Mr. Whelan) will rush down to Washington. That is not dealing on the basis of equality, because the shoe is pinching us. If we were to do something, would there be a minister from the Reagan administration, or its predecessor the Carter administration, rushing up to Canada?

There are courtesy visits, certainly, but on the basis of equality I think these matters should be dealt with in a much more organized way. For example, there ought to be regular annual meetings of ministers, or first ministers depending on the gravity of the situation, to resolve disputes that were not resolvable in the course of regular meetings. I would suggest that those meetings at the ambassadorial level with the assistance of officials ought to be held at quarterly intervals. Acid rain is certainly one of those matters, but there are a number of others. There are the fishing agreements on the east and west coasts and boundary agreements and the Law of the Sea. The Law of the Sea issue has recently been raised in a very critical way, and we have the advantage of an outstanding negotiator in Geneva, New York and Caracas in the person of Mr. Alan Beasley. He led our delegation and had brought matters almost to the point of fruition when the U.S. administration backed away from some of the clauses, thereby threatening the future of that operation.

These are matters, Mr. Speaker, that ought to have been dealt with on a regular basis by a Canada-U.S. economic commission. As I suggested, they should be held possibly at quarterly intervals, at the ambassadorial level with officials. When matters cannot be resolved there, then they should be taken to a first ministers' meeting.

Another matter, which will require a considerable shift in attitude of this government toward the whole nature of government, has to do with the manner in which treaties are negotiated, ratified and implemented. Negotiations, I think, are pretty well standard around the world. Ratification differs, however, from parliament to congress, parliament to assembly, and parliament to parliament. The ratification of the east coast fisheries agreement, let us say, ought to have been approved by debate in this House and there should be provision for this within the Standing Orders of this House. The government has not called on the Standing Committee on Procedure and Organization to examine such matters. There could have been a Standing Order which permitted the discussion and regulated its length depending on the seriousness of the matter. The east coast fisheries agreement ought to be debatable and discussible in this House, not just ratifiable by executive edict.

An hon. Member: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Ratification is an executive act under the parliamentary system of government, no question about that. Implementation, if any, of treaties will be done by government legislation, and that is fine. However, there is that ratification procedure which is lacking in our general bilateral relations with the United States and, I might add, with other countries. Multilateral agreements might, as well, be debatable before ratification. There should be a vote if it is important enough, and if the government does not secure a majority, then I think it might very well have to decide what it is going to do. Is it going to renege on its commitment or is it going to resign? These matters, I think, deserve careful study in the Standing Committee on Procedure and Organization with respect to our international relations, which my friend sniggering on the other side obviously does not consider to be within the ambit of this particular debate.

The next matter that I wanted to talk about, Mr. Speaker, had to do with—I just heard some sort of muttering over there about having something new. This new notion probably hit him so hard between the eyes that he is still reeling. It never occurred to someone who follows so slavishly the pronouncements of his government that there might be another view.

Mr. Caccia: Take a drink of water.

Mr. Munro (Esquimalt-Saanich): The other area of foreign policy noted in the wording of the motion but not commented on is that of the refusal to come clean and reassure the Canadian people that everything that needs to be done has been done to ensure that the threat represented by Soviet communism and its attempts to infiltrate our system of government have been met adequately. Combined with this, of course, is the threat from the same source to the nations of the Third World, a threat we have recognized only partially if at all.

You are becoming uneasy in your chair, Mr. Speaker. Does this suggest my time is about to expire or has expired?

Mr. Deputy Speaker: The hon. member has one minute left.

● (2150)

Mr. Munro (Esquimalt-Saanich): In this connection I commend to all those present or listening two books which outline the matters in clear detail, a matter which causes me some concern, namely, the disappearance of certain documentation from the files of the government. The first book is by V. Sakharov and Tosi entitled "High Treason"; the other book is entitled "The Terror Network" by Claire Sterling. Those two books reveal, in the most lucid and frightening terms, the possibilities of infiltration that we in the country somehow or other choose to neglect.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, first I should like to comment on the remarks of the hon. member for Esquimalt-Saanich (Mr. Munro). He should have known that, according to the *Votes and Proceedings* of December 6, 1968:

> A total of 25 allotted days spaced throughout the session would be placed at the disposal of the opposition . . . On these allotted days the opposition would be free to select for debate any matter coming within the jurisdiction of Parliament—

If the hon. member had been serious, he would have convinced his party or Parliament to choose one of these 25 days. If the opposition really wanted to discuss external affairs matters, it had the last 13 years at its disposal.

I am the chairman of the Standing Committee on External Affairs and National Defence. If we have not discussed some of the subjects the hon. member for Victoria (Mr. McKinnon) would have liked to discuss, it is up to him to have told us so. He is a member of the steering committee. I have never turned down any of his requests. All he had to do was to ask for the witnesses he wanted, and I would have been only too happy to accommodate him. Perhaps he now finds a lot of virtues in the Senate; perhaps he aspires to some nomination to that place. I would recommend him with great pleasure.

I am surprised the hon. member took all of 30 minutes and only touched upon the subjects which should have been debated today, such as the Law of the Sea. He only referred to it. I would have liked to hear about it because it is very important from the Canadian point of view and for the security of the West, but what is more, it would have provided a more equitable sharing of the world's wealth and resources with the Third World. It is too bad that the United States withdrew at the last moment. But we are hopeful, as is the hon. member, that after reassessing its views about the Law of the Sea, the U.S. will participate.

The hon. member could have spoken about Canada-U.S. relations because it is also a very important matter. We know that there is an exchange of 60 million persons per year between our two countries; he did not touch upon that subject. He could have talked about Canada.

Mr. Munro (Esquimalt-Saanich): Why don't you?

Mr. Prud'homme: He only left me three minutes, I am very sorry to say. He could have talked about our trade with Europe. In 1980 it went up to $9.4 billion from $7.2 billion in 1979. From 1962 to 1980, it went up from $1.3 billion to $9.4 billion. He could have talked about—

[*Translation*]

—Canada and Western Europe. We could also have mentioned Japan and our extraordinary trade relationship with that country which accounted for $1 billion in the past and has now reached the level of $7 billion. Unfortunately, time does not permit us to do everything in the same day. On the other hand, I wish to thank the hon. Secretary of State for External Affairs (Mr. McGuigan) who asked our Committee of External Affairs and National Defence to study relationships between Canada and Latin America. We immediately undertook this review, which was urgently needed in my opinion because Latin America is a new territory for us in Canada, and I am very happy that my colleague, the hon. member for Labelle (Mr. Dupras) was chosen as chairman. First of all, I had suggested it to him. He agreed to act as chairman for this committee, and I believe this is very important because we have overlooked Latin America for years. We now have a committee. I know that the former Secretary of State sits on this committee, and I hope that the department will develop a new approach concerning relationships between Canada and Latin America.

I would have liked to speak about something else, and I shall do so in the last two minutes of my speech, if the House grants me two or three minutes more as it did in the case of the hon. member for Edmonton South (Mr. Roche), but first, I would like to say a few words about the Department of External Affairs. The minister is here, and I appreciate it. I want to tell him—and this is something that he knows about and I know that he makes constant efforts with this in mind—that if one department should reflect bilingualism in the great federal machine, it is the Department of External Affairs. This department must reflect cultural duality, as I have always emphasized. We must spare no effort in this regard, concerning both recruitment and promotions. And speaking about promotions, I would like to see a great many more women in the higher echelons of the department.

Mr. Speaker, I would like to tell the minister that we must see to it that departmental officials can adjust to a changing world. This is a very important issue in my opinion. Our universe is changing constantly, and the United Nations in 1981 are not what they were in 1945. They are no longer an exclusive club. They now have hundreds of new members. I hope that the Department of External Affairs can be sensitive to such changes, which go against what used to be the way in the old Commonwealth club, and adapt to such concepts as the French-speaking community and this whole new attitude, and I know that the minister is very aware of this issue. I would also like to take a few moments, since the House did not show enough generosity as far as I am concerned, to emphasize what I have pointed out every time I went to the United Nations, namely the importance of the Canadian mission.

Again in a changing global environment, we owe it to ourselves to have at the Canadian delegation to the United Nations people that have the understanding, awareness and knowledge of the friendship and an extended hand to these new nations that over these last few years applied with much difficulty, that might irritate older members by proclaiming their misery, their poverty, but it is the only forum in the world where they can be heard. I say we must be patient and understanding, we must know how to welcome them, how to understand them. In this year 1981, the United Nations is the number one priority of the Department of External Affairs. I would have liked of course to refer to our relations with the United States, however in conclusion I will deal with a subject that has been driving me for over 15 years, although I have been a member of Parliament for 18 years, namely the Middle East issue.

[*English*]

I am absolutely astounded that no member of the official opposition thought it wise to refer to one of the most remarkable pieces of work carried out by one of their own. I am talking about the report of the special representative of the Government of Canada and ambassador-at-large, Mr. Stanfield, the Stanfield report on the Middle East. I have read it six times, in French and in English, to ensure that I understood all the nuances Mr. Stanfield was trying to put intelligently to the Conservative government at that time.

I would not like to be cut off at this point because shooting from the hip when talking about the Middle East is always very dangerous. I have known that in the past. If I might have the indulgence of Mr. Speaker and the consent of the House to continue for five more minutes, I should like briefly to put my views on record on the question of the Middle East.

Mr. Deputy Speaker: Is there unanimous consent of the House for the hon. member to have an extension of five minutes' time?

Some hon. Members: Agreed.

Mr. Prud'homme: My views are very simple. I do not understand people who have never understood me or the position of my party.

Anyone who has been to the Middle East, anyone who has visited Jordan, Syria, Iraq, Egypt, Lebanon, Israel and the other coutries, knows that unless you solve the Palestinian question, you cannot solve the problems of the Middle East. I have not been able to understand, for the last 13 years of my life, how people do not understand that. Is it asking too much to expect people to understand that there is a group of people called Palestinians who live, breathe, multiply and who also have a right to an existence and a country? Is it anti-semitic to express these views? Those who think it is anti-semitic should read the report of Mr. Stanfield. Is it anti-Israel to say that we

could be friendly also with the Arab countries? I have always held that view. We must find a way with patience, with love and with understanding. Do we have to go through another Zimbabwe to end up having an independent country only after killings and killings? Will we have to go through the same thing in Namibia? Why did we have to go through the same thing in Algeria and Angola? Why do we not understand?

• (2200)

[*Translation*]

How is it possible not to understand that as long as we persist in not recognizing the existence of people who are alive, who have historical rights, who also want justice, we are wrong?

[*English*]

Positively, without a shadow of a doubt, I reject any kind of anti-semitism. I have always called that, both privately and publicly, a cancer, because once one is an anti-semite, one is anti-French, anti-Catholic, and anti anything else. We must understand that peace in the Middle East will only come when the people will accept that, next to Israel, there is a group of people who will stay there. These people who arrive in my country—

[*Translation*]

—as I say in French, dear Lebanon! What country in the world has been more generous than Lebanon? The Lebanese greeted the Palestinians on their soil generously, and what happens now? Palestinians in Lebanon are in the process of destroying that nation. It is my submission that there should have been over these last 35 years more seasoned, more pioneering politicians with a better knowledge of the Middle East problem. They know that inevitably people who exist will have to be recognized. One day the Palestinian problem may be solved, Lebanon's problem may be solved that dear country suffering from its generosity. This is the main thing to understand in the Middle East situation. I therefore urge hon. members—

[*English*]

—without partisanship, but, I say, with passion. Why not? I am not a robot. I feel and I think. I think that when one feels, one can also see how marvelous it would be if there were peace and co-operation in the Middle East; if the Arabs, on one side, would recognize the state of Israel and its right to survival and to security, and, on the other hand, the state of Israel would recognize that it cannot have a complete settlement that would last forever. It is a real provocation for a group of people to be sent to a settlement in the occupied territories. How would hon. members feel if I were to send 50 young French Canadians to Edmonton South, Toronto, Victoria or Esquimalt-Saanich who would say, "We are French Canadians, Catholic Quebeckers, and we are coming into Victoria to raise hell"? Of course, that would be provocation. Hon. members should read about the Israeli practices. This is a United Nations report on the Israeli practices.

We must not be afraid. However, sometimes some of us are unable to make people understand. Therefore, I am calling upon Canadians and Americans of Jewish faith to exercise their influence on the government of Israel to show some restraint and some understanding. The Jewish people have gone through hell, and we all know and recall that every day. Even this morning, on radio station CJAD, as I was coming from Montreal at seven o'clock, I heard that today there was a ceremony commemorating the Holocaust. There will be a nuclear holocaust for all the world, if we do not realize the extreme importance of the Middle East, if we do not understand that there are people there who will not disappear, who are spreading what I call this cancer all around because they are there and no one wants to look after them.

I will conclude by saying with sadness that although there are people who have more responsibility than I do, I am asking Canadians of Arabic origin and Canadians of Jewish faith to get together and talk to each other. This is in the report of Mr. Stanfield. I share that view; I go along with it. I think we should do as the report says.

I will conclude in two minutes—one minute, with your patience, Mr. Speaker. Mr. Stanfield recommends there should be—

[*Translation*]

However it is of the utmost importance that we should recognize that in most Arab countries the role of the government in the economy is generally more significant than in Canada and that the Arabs like to meet and get to know the people with whom they do business. Ministers and spokesmen for our government must make frequent visits to those countries, and there must be more frequent exchanges of well-prepared commercial delegations.

He also recommends that we send groups of students, academics and MPs so that this country, which might become the wealth of the Middle East, will get to know the relations. One can imagine what might happen if we could get the co-operation of what I call the Israeli know-how, or technological knowledge, Arab co-operation in the Third World, the new funds from certain Arab countries in addition to technology and knowledge. Is that not something to make anyone dream? Is that not something which prompts us to rise today and say that we must examine that question? I also urge my colleagues to read the Stanfield report.

• (2205)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—(A) PRICE PAID FOR TREASURY BILLS; (B) REASONS FOR PRICE PAID

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on June 12, last Friday, I asked the Acting Minister of Finance why the Government of Canada, at its treasury bill auction on Thursday, had to pay 18.82 per cent for its 90 day money when the previous Tuesday, the government of the United States had to pay slightly over 14.9 per cent for the same money on the same type of instrument, a treasury bill. The same type of arrangement, the same type of ratios took place with respect to the 180-day-old bill. The effect was that last week, Canada paid 4 per cent, an average, more than the government of the United States did on treasury bills.

At 5.30 this afternoon I checked the situation in New York. At that point, the U.S. treasury bill rate at auction was running at 13.72 per cent. Comparing that to the Canadian rate of 18.82 per cent, Canada has, of today, paid 5.10 per cent more than the Americans for treasury bill money on 90 days. On the 180 day bills, the Americans were paying 13.46 per cent and Canadians were paying 18.22 per cent, or 4.76 per cent difference. We will average that and say 5 per cent more. Since I asked the question on Friday, the position has become 1 per cent worse.

I did not want just to compare treasury bills, although I did ask the minister why that was the case—if it was a question of Canada's credit. The minister did not seem to want to answer. He thought that perhaps I was attacking the New Democratic Party. I was not; I was asking him a serious question.

I then turned to the London interbank rate. At the same time, three months' money was 17¾ per cent for 90 days and 1716 per cent for 180 days. In other words, the London interbank rate was at least 1 per cent less than what the Government of Canada has to pay on its treasury bills. That is the rate at which multinational corporations borrow on the international market. Indeed, a multinational corporation called Petro-Canada borrows at the London inter-bank rate, as my friend, the Parliamentary Secretary to the Minister of Finance (Mr. Evans) knows. Petro-Canada, with its tremendous assets and its lack of equity, is able to borrow at least 1 per cent cheaper than the Government of Canada was able to do last Thursday.

I had the chance to look at the banker's acceptance rate in the United States. Last Thursday, that rate was 16.5 per cent for 90 days. The Government of Canada paid 18.82 per cent. In other words, the Government of Canada paid 2.75 per cent more than an ordinary commercial corporation—the U.S. Widget Co.—had to pay for its money. That is the nature of the credit of Canada; it must pay more for its money than ordinary commercial traders in the United States pay for theirs, or ordinary multinational traders pay for their money. Canada pays very much more.

• (2210)

Going further, I looked at the Eurodollar rate. The same type of ratios took place. For three-month bills, the Eurodollar rate was 17.11 per cent. The Government of Canada's treasury bill rate was 18.22 per cent, for a difference of 1.71 per cent. If we go to the 180-day bills, the difference is a little over 2 per cent. The averages are very close to 2 per cent more. One wonders why this has happened. Normally, when a borrower has to pay more for money than his neighbour does, he pays more because his credit is poor. Why is Canada's credit so poor? I suppose part of the question has to do with what people think of the Canadian dollar. All one has to do is to look at the futures market for the Canadian dollar. The betting on the market is that the Canadian dollar will be worth 82 cents in three months and 81 cents in six months in terms of the U.S. dollar. That is the bet. That is what the futures market says. It is no wonder people lending money to the Government of Canada say they want more from Canada than they want from anybody because Canadian money will not be worth anything. Why is this so with the resources and with the educated people this country has? The answer lies in the government this country has.

What is happening in the United States? A boom is taking place there. Business is roaring ahead with enthusiasm, and with optimism led by a Reagan administration. What do we have in Canada? We have a government which turns business off. We have a government which deliberately nationalizes property and deliberately seizes property without paying compensation. That is the kind of government we have and that is why we have problems.

We have a national energy policy which causes problems. We are all paying for that policy. Every small business is paying for it. Every one of us is paying every day for ineptness and incompetence. This government has better come up with a new economic policy soon or our interest rates will go up even higher.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the question is based on an incorrect premise in that the Canadian treasury bills and U.S. treasury bills are not sold in the same market place. While it is true that Canadian interest rates are responsive to levels in the United States, and we have admitted that since we are so dependent upon capital inflows, it is simply not true that interest rates in Canada are tied to those in the United States in any way. The movement of interest rate differentials between the two countries over the past 18 months shows clearly that the pattern of interest rates in each country has been quite different. Thus, while the Canada-U.S. differential on treasury bills was some 130 basis points on May 20, the differential increased, as the hon. member indicated, to 400 basis points last week. Similarly, while the 30-day commercial paper rate in the U.S. was over four percentage points higher than that in Canada in December, it is now some two percentage points below the comparable Canadian rate. Short-term interest rates in the United States over the past few months have moved over a much wider range than those in Canada. Indeed the hon. member should know that chartered bank prime lending rates in Canada and the best rates charged by banks in the U.S. are almost identical right now. There are some similarities as well as great differences.

It is also evident that current high levels of interest rates have not slowed down the rate of credit expansion or the Canadian economy. Data recently released by the Bank of Canada shows that chartered bank general loans continue to grow at very high rates and there have been similar high rates of growth recorded in other credit aggregates.

Canadian prices and costs also appear to be increasing at faster rates than those in United States. Statistics Canada reported that the consumer price index continued to rise quite strongly in May. By contrast, the inflation rate in the United States is running at a lower level. This will be reflected in both inflationary expectations and the prevailing level of interest rates.

There are good and valid reasons why there should be differences between the rates charged in Canada and the rates charged in the United States. While we would like to see interest rates in Canada as low, if not lower, than those in the United States, there are currently very real factors at play in Canada which do not allow that.

• (2215)

EMPLOYMENT—(A) ADULT ACADEMIC UPGRADING AT NIAGARA COLLEGE, (B) REASON FOR DEPARTMENTAL DECISION

Mr. Joe Reid (St. Catharines): Mr. Speaker, it is a Progressive Conservative philosophy and a basic responsibility of government to provide whatever opportunities are necessary to enable each individual through education to develop his or her potential to the fullest degree and to employ those talents to the greatest advantage. Education should be for full time as well as part-time students, for adults as well as the youth, for upgrading and updating as well as for the unemployed. That is why I was so distressed when I attended a meeting of Niagara College students involved in academic upgrading, a most basic course of education leading to a higher form of skill training. For these students it was their last opportunity to upgrade their academic education. The door has been closed. Without that higher level of academic training, they will be refused enrolment in a course which will give them an opportunity to develop a skill or trade.

One after the other those students stated that they just had to be given the chance to make something of themselves, and now that chances was being taken away. I am not certain why that basic course of adult training was terminated at Niagara College. The answer of the Minister of Employment and Immigration (Mr. Axworthy) did not assist to any degree.

When the minister decreases the number of sponsored seats in a course of that nature, the province of Ontario will only sponsor 20 per cent of that number. A chain reaction is started by the Department of Employment and Immigration. Where there are fewer students, there are lay-offs, dismissals, and reassignments of academic upgrading and structures.

It is not good enough to say that those students can return to established schools of elementary and secondary training and education. These students had to steel themselves in order to return to a course established and promoted by this government. We cannot ask them to do more.

It is not an answer to say that there has been a reallocation of funds. There is no doubt that the apprenticeship program must be supported and funded. I hope the day will soon come when we can discontinue looking overseas for skilled workers because we will have enough trained people here to fill the jobs.

To say that we are diverting funds to programs where there are established job opportunities condemns forever a segment of the population to a status that we as a nation should not accept or condone. Students hit hardest are women, those on mother's allowance and welfare. There are many more in an urban riding such as mine who are seeking the opportunity to participate in such a course. They have been waiting for such an opportunity. That opportunity is no longer available to them. They are being condemned to a job as a waitress, bartender or babysitter.

The need for such a basic training program was emphasized in this college. The joint government approval to assist adults in below grade 12 levels raised enrolment of fee-paying students from 31 in December 1979 to 151 in December 1980. There is a current waiting list of over 200.

• (2220)

The advantages of adult education, the advantage of an adult setting, the opportunity of working at their own pace, the availability of financial assistance and support, counselling and instruction, gave hope to those students and offered a challenge and a chance which so many thought would never come to them. Now it may never come again, for in the Niagara College, a community college, that opportunity or that chance has been taken away from them. I suggest the minister should make a reassessment of his priorities so that this very basic organizational adult education training can continue at community colleges where it can do the most good.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to start off by correcting the impression given by the hon. member. There is no question of phasing out the adult academic upgrading program at Niagara College. There was indeed a reduction in the number of training seats purchased from that college under the Canada Manpower Training Program, but contrary to the statement of the hon. member the program is not about to be abolished.

During the fiscal year 1980-81 the Employment and Immigration Commission had purchased 82 seats which, for all practical purposes, made it possible to enrol 147 students. For the current fiscal year, the commission bought 64 seats and expects some 115 students. The reason for this reduction is that the government has put the emphasis on employment-related programs. That decision was taken in 1977 as a result of the publication of a report of the Standing Senate Committee on National Finance which pointed out that basic education falls essentially under provincial jurisdiction. Subsequent

studies have demonstrated that basic training for skilled development did not prepare graduates adequately for employment or further education.

Changes in the policy which have been implemented are spread over a three-year period as follows: BTSD must not be given to any one who has not completed the 8th grade; age and total school attendance as elegibility criteria must be tightened up. BTSD must be more occupation oriented and the need for training courses must be emphasized.

Mr. Speaker, I think that this is the direction the government must follow in the future.

[*English*]

HOUSING—REQUEST FOR INTRODUCTION OF PROGRAM WITH REASONABLE INTEREST RATES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on April 9, in my question to the minister responsible for housing and CMHC I pointed out that 70 per cent of loggers in coastal British Columbia faced lay-offs or short work weeks. There is no doubt that part of the reason for these employment cutbacks was the fact that the industry wanted to soften up union membership for contract talks. As a matter of fact, the contract expired for the IWA on the coast of British Columbia today. It is evident from the militant strike votes that woodworkers have not been intimated. They intend to get a good contract.

Quite apart from any attempt by the companies to sap militancy, some mills are, indeed, very short of orders, and while the long-term outlook for the forest industry in British Columbia is supposed to be good, there are immediate problems. Some of the methods the companies are using to deal with these problems are not healthy. For example, they are pulping logs that should be sawn into lumber. A recent survey showed that up to 40 per cent and over of logs in a boom that was going to a pulp mill were logs that should have gone to a sawmill. We have evidence of whole logs being exported for process in other countries, or logs that just had a slab taken off. At the same time we are facing an imminent shortage of logs for the future in the industry.

The industry has traditionally depended upon the export market for up to 70 per cent of the production in British Columbia. We simply should not wait for export markets to take up the slack when we have problems in the industry today. We should be developing industry in Canada which can deal with this, and the most basic industry that needs developing here is our housing industry.

● (2225)

Today, because of record interest rates, most Canadians are no longer in a position where they can afford to buy homes. The situation is quite the reverse. Many Canadians who own homes and have been paying on mortgages for a number of years are now losing their homes when they have to renegotiate their mortgages at these killing interest rates. It is a chilling statistic that 11 per cent of the Canadian people are now forced to pay more than 50 per cent of their incomes for housing. And our housing stock, especially for low-income people, is dangerously low. People are being forced to move into accommodation which ten years ago we would have considered to be very clearly inadequate.

We can look at the example of our failure with regard to Indian housing. While the Department of Indian Affairs and Northern Development has announced that it has made money available, it just recently sent out a directive to Indian bands which requires that the bands give guarantees that any houses which are started must be completed. However, there is no labour component program which has been instituted by this government, and the funding which is provided for these houses is clearly inadequate. Yet no money is being released until the bands can give some kind of guarantee that the housing starts will be completed. The government is pushing on to the Indian bands the problems it has allowed to accumulate over many yeas. Obviously something is terribly wrong.

It should be plain even to the Liberal cabinet that there is a connection between lay-offs in our forest industry, the lack of decent housing and the ridiculously high interest rates this government has imposed upon the people of Canada. There is a need for an imaginative program, and there could be an imaginative program. In co-operation with the provinces and with municipalities the federal government could use some of its resources for land assembly projects. This would cut out some of the massive profits being made by real estate companies. Low interest mortgages could be provided so that people could buy homes without committing themselves to long terms of poverty and uncertainty. The public and co-op housing sectors could be developed.

The minister pointed to the failure of the British Columbia government to take initiatives in its budget to help the housing sector, and for once I agree with the minister. Along with other British Columbians, I work for the day when that government will be replaced by one which does care about housing and which will act to meet the housing needs of its people.

However, the federal government cannot hide behind the failure of provincial governments. The federal government has a responsibility for interest rates. It has the power to take the initiative to develop a rational land program and a rational housing policy. This would not solve all the problems of our lumber industry, but it would go a long way toward taking the slack out of the present situation, and I urge the government to develop a program which would begin to meet these needs.

● (2230)

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to give a more detailed answer to the question asked on April 9 by the hon. member. The high interest rates on mortgages have no doubt made it more difficult for people to own their homes and they have had a negative impact on the

housing industry, yet, despite the rise in interest rates it is becoming more and more evident that housing starts will be on the increase in Canada in 1981. According to interim statistics during the first quarter of 1981 there has been an increase of about 43 per cent in individual housing starts compared with the corresponding period in 1980. Since more timber will be used as a result of individual housing construction such an increase will undoubtedly have favourable effects on the forest industry especially in the area represented by the hon. member. The upsurge in the housing sector during the first quarter of 1981 took place at a time when mortgage interest rates had indeed reached a higher point, more than 15 per cent, than in 1980 when it was below the 14 per cent mark. After four consecutive years of decrease, we predict that housing starts will increase by 13 per cent in 1981 to a total of 179,000 units.

I am, Mr. Speaker, personally more concerned about rentals and the effect that the tightness of some of the markets will have on low-income tenants. The hon. member will no doubt recall that last year we managed to get an extra 5,000 subsidized units for those areas with a low vacancy rate, for instance Vancouver, Toronto and St. John's. This helped the situation, but I nevertheless stated that more had to be done so that provisions regarding rental housing units be included in the October 1980 budget. These provisions will enable the building of some 10,000 extra rental units and will stimulate the construction of multiple unit projects in places like Vancouver where the market is tight. The Canadian Mortgage and Housing Corporation has agreed to increase the maximum portion of guaranteed loans to approximately 70 to 80 per cent from the previous 50 to 60 per cent. In this manner, CMHC may help solve the housing shortage in the Vancouver area without overly risking the mortgage insurance funds and committing the government to major expenditures.

I would like to thank you, Mr. Speaker, for the extra few minutes, as well as the staff who had to stay here.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until two o'clock tomorrow afternoon.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 16, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

DIRECTION OF GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43 I wish to introduce the following motion. Whereas the Grit cabinet at its Meach Lake plotting session held last Sunday has opted for greater governmental control over Canadian industry and the nationalization of key sectors of the economy, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House deplores the socialist direction being pursued by the Liberal government in opposition to the wishes of the people of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED ADOPTION OF FREE ENTERPRISE POLICIES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Whereas Prime Minister Trudeau told the maritime premiers that if they needed money not to call him but to call Premier Lougheed; and whereas Alberta was once a have-not province with a debt of some $169 million, with 52 cents out of every tax dollar going to pay interest charges—most of this debt was the result of policies by the only Liberal government the province ever had and probably ever will have—but by living within its means and creating a good investment climate under a free enterprise system, Alberta now, under Premier Lougheed, has a Heritage Fund and is a have province, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House urges Prime Minister Trudeau and his government, instead of being jealous, to adopt free enterprise policies and to follow the example of Premier Lougheed, his government and his PC administration, and start living within its means, start paying its debts and creating an investment climate so Canada too, may have a Heritage Investment Fund.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

CALL FOR ABANDONMENT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In a recent speech to the Energy and Chemical Workers Union in Winnipeg, the Minister of Energy, Mines and Resources (Mr. Lalonde) stated that one of the inherent purposes of the National Energy Program is to create employment. Since to date all calculations point toward a net loss of close to 60,000 jobs in Canada, and countless others as a result of the spin-off effects, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the minister of energy scrap his energy program which is costing Canadians their very livelihood and develop one which will truly live up to his idealistic expectations.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA OIL AND GAS ACT

HEARING FOR NATIVE PEOPLE—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas the government has applied closure to debate in committee on the oil and gas bill, C-48, now with support of the Conservative party, they being in bed together—

Some hon. Members: Oh, oh!

Mr. Waddell: —and whereas the committee has spent 90 per cent of its time hearing industry and government representatives and has amended the bill to their wishes; and whereas this is solidarity week for the native people of the north who are opposing Bill C-48, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

S.O. 43

That this House deplore the fact that while the Prime Minister speaks about the North-South dialogue, his government and MPs are not even prepared to give Canada's northern and native people a fair hearing on Bill C-48.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

TRIAL OF VICTOR BRAILOVSKY IN U.S.S.R.—MOTION UNDER S.O. 43

Mr. David Smith (Don Valley East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Victor Brailovsky is a prominent Jewish scientist in the Soviet Union and has attempted for ten years to emigrate to Israel with his family. Yesterday, after seven months of imprisonment without formal charges, Mr. Brailovsky was informed that his trial would take place tomorrow. He has been charged with disseminating fabricated material which is defamatory to the Soviet state. He could face a three-year sentence.

In view of the fact that the Soviet Union seems determined to make an example of Dr. Brailovsky, and determined to make a mockery of the principles of the Helsinki Final Act, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman) and the hon. member for Winnipeg North (Mr. Orlikow):

That the House convey to the Soviet government its concern and growing apprehension in the Victor Brailovsky case.

Madam Speaker: Is there unanimous consent for the presentation of this motion?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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CANADIAN BROADCASTING CORPORATION

NORTHERN QUEBEC SERVICES—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The CBC services to northern Quebec have recently suffered from a drop in morale as well as a high rate of staff turnover. In light of the tremendous importance which this service has to the Cree and Inuit of this region, and in light of the role of the CBC as a vehicle for the transmission of language and culture, I move, seconded by the hon. member from Prince George-Bulkley Valley (Mr. McCuish):

That the Secretary of State for Communications undertake to review the northern Quebec services and examine the relationship of the style and actions of the non-native management of the service to the problems of low morale and high staff turnover.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

GOVERNMENT POLICY ON DOLLAR EXCHANGE RATE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, it is obvious from the operation of the money markets that the government's obsession with maintaining an 83-cent dollar in the face of an economic program and a fiscal stance that tend to depress our currency on money markets is the principal cause why interest rates in Canada are as much as 5 per cent higher in some cases than they are in the United States. This obsession with the exchange rate is causing undue hardship to all Canadians. Therefore I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the government cease paying attention to the exchange value of the Canadian dollar and allow an interest rate to prevail in Canada appropriate to the economic well-being of Canadians generally.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ENERGY

FUTURE OF ALBERTA MEGAPROJECTS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas officials at both Imperial Oil's Cold Lake Project and the Alsands project near Fort McMurray have announced that the government's current pricing offer for synthetic crude production is insufficient to make either project viable, and whereas both plants could be cancelled completely for lack of a suitable pricing agreement between the federal and provincial governments and the industry, and whereas approximately $20 billion of private investment, hundreds of technology experts, and unique tarsands and heavy oil technology stand to be lost if

these plants do not proceed, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the government table immediately its proposed pricing regime for oil sands and heavy oil production so that when a comprehensive agreement with the producing provinces is reached it will mean an immediate go-ahead for the two megaprojects in northeastern Alberta, Alsands and Cold Lake.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ADMINISTRATION OF JUSTICE

PERPETRATORS OF WAR CRIMES—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, this week in Jerusalem thousands of survivors of the Holocaust are meeting in silent remembrance of the murder of millions of Jews by Nazi war criminals. This commemoration focuses the attention of the world not only on the Holocaust itself but on the fact that many of the perpetrators of war crimes are still at large, some of them in Canada. I therefore move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House calls on the Minister of Justice and Attorney General for Canada to begin proceedings against Canadian residents whom he has substantial reason to believe were responsible for the commission of war crimes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

ALLEGED STATEMENTS MADE BY LEADER OF THE OPPOSITION AT QUEBEC—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, I rise under Standing Order 43 about an urgent and especially important matter. We all know that yesterday the Leader of the Official Opposition was in Quebec and, as usual, he made totally unacceptable statements which are altogether incompatible with the objectives we all strive for, namely the unity of this country. I therefore move, seconded by the hon. member for Roberval (Mrs. Beauchamp-Niquet):

That in the future, when the Leader of the Official Opposition intends to travel to Quebec and make such statements, he ought to seek the advice of the Prime Minister or of members on this side of the House so as to avoid making such mistakes.

[*English*]

THE ECONOMY

CALL FOR CHANGE IN FISCAL POLICY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to underline the alarming rate of bankruptcies in Canada caused by the fiscal policies of this government which are creating chronic double-digit inflation, resulting in record high interest rates and a feeble Canadian dollar.

Comparing the first quarter of last year to the first quarter of the current year, consumer bankruptcies have increased 17 per cent, business bankruptcies 19 per cent, and what is most alarming, farm bankruptcies are up 31 per cent, not to mention any of the unreported businesses which are now closing their doors. I therefore move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Minister of Finance change his fiscal policy and co-operate with the Bank of Canada in an effort to curb the inflation which is causing high interest rates in order to return sanity and stability to the money market.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

DISCUSSION OF NORTH-SOUTH RELATIONS—CONSERVATIVE PARTY POSITION—MOTION UNDER S.O. 43

Mr. Jim Schroder (Guelph): Madam Speaker, I rise on a matter of pressing and urgent necessity. Whereas the Conservative party in the past has played a proud and honourable role in helping to strengthen Canada's position in the global community of nations, and whereas the present Conservative opposition has refused to contribute time thoughtfully to this important North-South issue, I move, seconded by the hon. member for Sudbury (Mr. Frith):

That this House urge the opposition Conservatives to rise above partisan preoccupation when dealing with this issue.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

GOVERNMENT POLICY ON FIGHTING INFLATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister, who will know that after the most recent Meach Lake meetings his Minister

of Finance indicated that the government is intending no change in its economic policy. The stated purpose of the high interest rate policy which the government is following is to restrain borrowing and to limit the recourse of Canadians to credit. In fact the Prime Minister will know that that policy is not working and that from mid-1980 to mid-1981 the use of credit by Canadians—borrowing by Canadians—has increased a full 17 per cent.

What we have here is not a tight money policy which is limiting borrowing but, instead, a high-cost money policy which is feeding inflation. In light of that fact, I wonder if the Prime Minister will tell us whether his government intends any change in policy which would have the effect of fighting inflation head-on, rather than simply having the effect of causing more Canadians to pay more for the money they are borrowing.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Minister of Finance has had occasion to explain in this House a few times, there are many reasons and causes for the high interest rate policy. One of the main and recognized ones is that the American government is practising a very restrictive monetary policy and has set the pattern for very high interest rates. As the Leader of the Opposition would know, Canada has a choice of either seeing the Canadian dollar fall drastically, a flight of Canadian capital because of the higher interest rates in the United States or, alternatively, having an interest rate policy which is somewhat a mirror of the American interest rate policy.

Mr. Clark: Madam Speaker, what the Prime Minister is admitting is that his high interest rate policy—and it is his; he cannot blame it on other countries—is not having the effect of reducing borrowing or fighting inflation here. It is simply creating high-cost money for Canadians who are borrowing here. He may also well know that it is having other serious effects on Canadians, particularly those who are running businesses or farms. The Prime Minister should know, and I—

[*Translation*]

—I am astonished that the members from Quebec remain silent and do not want to hear the statistics here in the House of Commons. However, the Prime Minister must know that the total number of bankruptcies in Canada went up 20 per cent in the past three months. And the rate of bankruptcies among Canadian farmers shot up by 70 per cent.

[*English*]

The Prime Minister is now following a policy which is driving Canadians into bankruptcy. He refuses to do anything to stop that plunge toward bankruptcy.

QUERY RESPECTING POLICY CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me ask the Prime Minister of Canada how many Canadians he intends to drive into bankruptcy before he changes policies which are damaging the fibre of this country and the ability of people to create jobs across this country.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in all likelihood the Leader of the Opposition drafted his questions and he insists on putting them without listening to the answers. I explained to him what has been said many times in the House; there is an international phenomenon which can be seen by all those who have eyes to see, Madam Speaker. The monetary policy of the United States has led to very high interest rates and several countries suffer because of that. The Minister of Finance expressed his regrets about that policy here in the House. We hear most of the major European countries express the same concern because, like us, they must choose between high interest rates along with the regrettable consequences which we can see, or a sharp decline of their currencies, which is indeed very dangerous with respect to inflation. We have witnessed that in Germany, we see that now in France where the franc has lost considerable ground as compared with the American dollar, and we see the same thing in the other major countries of the world. The Leader of the Opposition is very skilful when asking questions, I admit that, but he should make an effort to listen to the answers before delivering speeches which are totally alien to economic theory and practical reality.

REFERRAL TO PARLIAMENTARY COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as always, the Prime Minister is trying to blame anyone and everyone for his own policies, but it is his government which is responsible for the number of bankruptcies in Canada, and it is his government which must take the blame for the present interest rate; it is neither President Reagan nor the French. No one else is to blame except the Prime Minister of Canada.

• (1420)

[*English*]

We now have a Liberal policy which is not effective in fighting inflation or stopping borrowing. It is only effective in driving Canadian farmers and Canadian businesses into bankruptcy; that is the effect of the Liberal government policy. Frequently the government tries to blame the Governor of the Bank of Canada. The Prime Minister will recall that in an earlier life a couple of years ago, the present Minister of Industry, Trade and Commerce suggested that the Parliament of Canada should have an opportunity to review—

Some hon. Members: Order, order!

Mr. Clark: —other approaches to high interest rates than the approach recommended by the Governor of the Bank of Canada and followed by the government. The Prime Minister will know that, when the Minister of Industry, Trade and

Commerce made that recommendation, the government established a parliamentary inquiry into other policies to deal with high interest rates and the problem of inflation.

Will the Prime Minister of Canada follow the advice of his ministers and make a reference to a committee of Parliament with a mandate to look into other means to fight inflation than the means being followed now, means which are driving Canadians into bankruptcy, which are causing high-cost money, which are not effective in the fight against inflation?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, by saying that I am trying to blame others, including President Reagan, the Leader of the Opposition only shows once again that he has misunderstood the nature of my answers. If there is anyone to blame, it is certainly the Leader of the Opposition for failing to understand that the economies of all countries are interdependent. When I say, for example, that several European countries are experiencing the same problem as we are with regard to the American policy, the Leader of the Opposition prefers to change the subject. He knows, or at least he should know, that if we want to have economic policies entirely separate from those of the U.S., then we would have to resort to exchange control. That is not an option the government is prepared to entertain. Nor is it an option that the Leader of the Opposition has the courage to put forward as the sole consequence of the rather far-fetched theories he is advocating. Had he been in the House yesterday, he would have heard the speech in which I made it clear that we intend to submit these issues to the U.S., among others, during the economic summit that will be held here in Ottawa, because many industrialized countries are experiencing the same problem. It is not a question of blaming others, Madam Speaker, it is a question of taking our own responsibilities, while realizing that the policies of a country as important for Canada as the U.S. are not made in a vacuum and that they necessarily have an impact on us.

[*English*]

INVOLVEMENT OF PARLIAMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the Prime Minister of Canada empower a committee of Parliament to consider anti-inflation policies other than those recommended by the Governor of the Bank of Canada, anti-inflation policies which, in the hands of the government, are not working to fight inflation? They are only working to cause Canadians to be driven into bankruptcy and to pay much higher interest rates. Will he let Parliament do its work? Will he make such a reference to a committee?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is the final cop out that is well known on the part of the Leader of the Opposition.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: That party does not know what economic policy it wants to follow, whether it is the policy followed by the hon. member for St. John's West, the former minister of finance, who wants to cut spending, or the policy of higher spending advocated by so many others.

• (1425)

When they do not know what policy they want to follow, Madam Speaker—

An hon. Member: Answer the question.

Mr. Trudeau: I am answering the question. I am advised to empower a committee of this Parliament to study the problem of inflation, just as this House was asked a few days ago to empower a committee to study capital punishment, because that party does not know what position it has on either of these questions.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. Member for Etobicoke Centre.

Mr. Wilson: Madam Speaker, the Prime Minister referred to courage. I think he should refer that comment to his current Minister of Industry, Trade and Commerce who, a year and half ago, said he would resign if interest rates went any higher than 14 per cent. They are 20 per cent now so he should resign.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. Is the hon. member going to ask a question or make a speech?

* * *

ENERGY

POSSIBLE CHANGES IN GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Many observers have attributed the current high interest rates to the low level of and weakness in the Canadian dollar, and have directly linked that weakness to the Liberal energy policy, the lack of confidence resulting from that, the outflow of money for exorbitant purchases of Belgium oil companies—

An hon. Member: Speech.

Mr. Wilson: —and the loss of capital to other countries.

Since governor Bouey stated that one of the reasons for the high interest policy he has been following is to protect the Canadian dollar, and because of the weakness caused by the energy program, can we expect any significant changes in the energy policy that would reduce this pressure on the Canadian dollar, improve the level of confidence in Canada and result in lower interest rates some time down the road?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would have to answer the hon. member by saying that many competent observers completely disagree with his analysis of the situation. I would say that we should try to work for an energy agreement, not for those reasons, but for the reason that it is important that in this country we have an energy program upon which both orders of government will agree and will recognize to be in the best interests of the Canadian people.

Mr. Andre: How many people are you going to allow to go bankrupt in the meantime?

Mr. Lalonde: This is what this government has been concentrating its efforts on since last year. We recognize that the previous government in which the hon. member served did not succeed in getting an agreement. Unfortunately we did not either.

An hon. Member: We were there nine months, you have been there 16 years. Where have you been?

Mr. Lalonde: However, we are working hard at it and I am confident that with good will on all sides we will be able to do so.

Mr. Wilson: Madam Speaker, I refer the minister to articles by Wood Gundy, Greenshields, and Rodney Anderson, all within the past week, each of which have attributed the weakness in the Canadian dollar to his energy policy, and that is the reason for the high interest rates we have today.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

GOVERNMENT POSITION ON INDUSTRIAL STRATEGY

Hon. Michael Wilson (Etobicoke Centre): My supplementary is for the Right Hon. Prime Minister. Since there has been much speculation arising out of the Meach Lake meeting last week to the effect that we will see greater government intervention in the economy somewhat along the lines of the National Energy Program, and since that program has caused the weakness in the Canadian dollar and the high interest rates we have today, would the Prime Minister make a commitment to the House that before this industrial strategy discussed last weekend is introduced and implemented, he would table a white paper outlining the full extent of the industrial strategy so that Canadians will have an opportunity to comment on this and hopefully avoid the mistakes made in the energy program?

Mr. Lalonde: You had high interest rates before the energy program.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I could answer the hon. member most simply by saying to him that the premises on which his question is based are completely false, as was the statement made in a motion under Standing Order 43 before question period. The premises of that question about the highly interventionist and socialist government are completely without foundation.

An hon. Member: Read your own books.

Mr. Trudeau: Nothing of that nature was discussed at Meach Lake, and if the hon. member wants to have an opinion on who is socialist in this House, he should ask the best witness, the Leader of the New Democratic Party.

* * *

• (1430)

STATISTICS CANADA

SURVEY OF FOOD PRICES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for a non-socialist minister, the Minister of Supply and Services, in his capacity as minister responsible for Statistics Canada. The Agriculture Canada retail price survey was released today and shows that the cost of food for home consumption in May increased .73 per cent, while the Statistics Canada report released on Friday showed a decrease of .7 per cent for last month. Incredibly, it would appear that the May food price figures put out by Statistics Canada actually relate to the last week in April, while Agriculture Canada's survey covered food price averages for all four weeks of May. Can the minister confirm that the Statistics Canada survey for May actually took place in April? Can he also confirm that if we took the May figures we would see an increase of 12.6 per cent—still a record level—rather than the much-vaunted decrease to 12.3 per cent which was bandied about by the Prime Minister on Friday?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I will have to take notice of that question and give the hon. gentleman a reply later.

Mr. Rae: Madam Speaker, that was the first answer.

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AGRICULTURE CANADA

RETAIL FOOD PRICE INDEX

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my next question is for the Minister of Agriculture if I can get his attention—I know it is lonely at the top but I will just make it one question.

The minister knows that in January his department made public the release dates for the monthly retail food price index. When the figures were released in January we were told that the retail price index would be released last Thursday. They did not come out Thursday, they came out today. It would appear that the May figures were not released last Thursday as scheduled because they showed an increase in food prices, whereas the CPI, which on Friday reported the May figures

which were really collected in April, showed a decrease. Can the minister explain to the House the apparent cover-up, or collusion, and why he did not report his own department's food price index last Thursday as scheduled? Why were the figures not released as they were supposed to be?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I will have to check into that matter and find out.

* * *

THE ECONOMY

INITIATIVES TO BE PLACED BEFORE PARLIAMENT

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I will make this next question as easy as I can. It is for the Prime Minister who, I know, does not like talking about economics.

Quite apart from the mix-up which has taken place with respect to these figures, it is clear that the mix-up itself is less important than the hard fact that the cost of living has reached the level of a national economic crisis, and new initiatives are definitely required. On Sunday when the Prime Minister came away from Meach Lake he said:

> We talked about inflation a fair amount, and we think the Minister of Finance . . . will be implementing policies which will have a beneficial effect.

Quite simply, can the Prime Minister tell us what these new initiatives are which the cabinet will be putting before Parliament? Can the hon. gentleman give us the assurance that these initiatives will be put before us this month so that the Canadian consumer, farmer, small businessman and home owner can obtain some relief from the inflationary and high interest rate policies of his government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe the Minister of Finance made it clear at the same meeting that he was unlikely to be considering anything in the nature of a mini-budget before the summer. When I was alluding to the policies of the minister I was alluding to the policies which he has already discussed in various forums and in this House. I am told he discussed them in an excellent speech he gave in Saskatchewan last Saturday. I recommend that the hon. member read the minister's speech and he will find out that one of our former colleagues in this House was chosen as the new leader of the Liberal party in Saskatchewan, Mr. Ralph Goodale.

As the hon. member said, I am not all that anxious to speak on behalf of the Minister of Finance. But I might be able to shed some light on the question he asked of my colleagues a moment ago. It seems to me that the important thing about statistics is that you always compare statistics taken at one period with a like period. It would be completely wrong to skip a month, as the hon. member says, in order to get the CPI figures, and to try to compare them with the figures given at the same date by the Department of Agriculture. The virtue of gathering statistics—if the hon. member can understand this—is that they are gathered at set periods. They are not brought forward or backward in order to prove the case put forward by the hon. member for Broadview-Greenwood.

* * *

COMBINES

DETAILS OF PROPOSED LEGISLATION

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. In his typically sanctimonious attitude the minister has been travelling across the country asking Canadians for support in strengthening combines legislation. The minister has produced a discussion paper, part of which recommends, curiously enough, a ban on participation in international cartels.

Some hon. Members: Oh, oh!

Mr. Speyer: Specifically, the paper says:

> —the increasing concentration in world trade has given rise to concerns over the dangers of the cartelization of world trade and a number of countries have taken action recently against international cartels—

Can the minister tell the House whether or not the formation of international cartels with undertakings similar to the uranium cartel will become illegal if this proposed legislation is passed by Parliament? Second, can the minister tell the House whether or not there will be any teeth in this proposed legislation to make it illegal for Canadian government officials to participate in co-ordinating cartels?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is true that I am now attending a series of meetings with representatives of various national organizations to discuss possible amendments to the Competition Act. I am pleased to see that the hon. member is concerned with the question and that he has constructive suggestions to make. I hope that when the bill is considered in the House, he will see to it to use his influence so that the legislation may pass quickly with the support of Conservative members.

[*English*]

Mr. Speyer: Madam Speaker, this is another example of a minister refusing to answer a direct question.

Some hon. Members: Hear, hear!

PUBLICATION OF REPORT

Mr. Chris Speyer (Cambridge): My supplementary question is to the same minister and it pertains again to the strengthening of the competition laws in Canada. Does the minister envisage giving to the director of combines investigations the power to table in Parliament, and to make public, his reports on the investigation of international cartels, as the hon. gentle-

man promised on March 4? Second, can the minister tell us whether or not he will permit the director to have access to cabinet minutes so that there will not be a situation in which there is the type of massive government cover-up which is presently going on?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I answered the member a moment ago. I did not try to elude his question. On the contrary, I told him that we were having consultations, that it was a working paper and that the views not only of the business community but also of consumer representatives and of members opposite as well were welcome. We have not yet taken any decision or a final position, and any suggestion the hon. member may want to make would be given favourable consideration. As for the second part of his question, however, I would refer him to answers already given in the House in that respect.

* * *

• (1440)

[*English*]

NATIONAL SECURITY

TASCHEREAU ROYAL COMMISSION PAPERS—REVIEW RECOMMENDATIONS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister. Because Mr. Ralph Branscombe was retained by the Privy Council Office, could the Prime Minister inform the House if Mr. Branscombe's recommendations about removing the secrecy classification from the transcripts of the Taschereau Royal Commission on Espionage have been presented to the government as yet and, if so, what are those recommendations, and what action is the government taking?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I should like to inform the House that Mr. Branscombe has not as yet completed his work. He is at a stage now where he is obtaining legal advice on privacy matters from the law officers of the Crown. Recently I asked how much more time his work will require, and I understand that he expects to complete it within two or three weeks from now.

DECLASSIFICATION OF GOVERNMENT DOCUMENTS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, perhaps I can get an answer from the Prime Minister with my supplementary question. At his Friday press conference the Prime Minister indicated a desire to have more specifics about certain security risks that occurred over ten years ago. Because the government is already in possession of these details, I wonder if the Prime Minister would undertake to declassify and make public the reports and documentation that the government already has relating to these individuals and events?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is talking about "these" individuals. He did not mention any names and I do not know if he intends to.

* * *

NATIONAL ENERGY PROGRAM

ACCEPTANCE OF PRINCIPLES BY OIL COMPANY EXECUTIVES

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and is supplementary to that raised by the hon. member for Etobicoke Centre. It concerns statements made in the past few days by Mr. Jack Armstrong of Imperial Oil Limited, and Mr. Robert E. Kadlec, chairman of the Canadian Gas Association, both of whom have accepted, from a corporate point of view, the main principles and goals of Canada's National Energy Program, and have intimated their optimism for the long-term success of the program. My question, therefore, is can the minister indicate whether the reactions of these two gentlemen is typical of those in Canada's energy industry today?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I cannot vouch for all members of the industry, but I think the view expressed by these two gentlemen appears to be shared certainly, by the most dynamic and most enlightened members of the industry.

Some hon. Members: Hear, hear!

* * *

HEALTH

FUNDING FOR NATIONAL HEALTH RESEARCH DEVELOPMENT PROGRAM

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Considering that the Health Research and Development Program, NHRDP, is the only federal source of funds for applied research into health care, and includes such important areas of research as environmental and occupational causes of disease, disease prevention, and the evaluation of existing health programs, would the minister please tell the House why the 1981-82 budget for the NHRDP has been increased by a paltry 1.9 per cent, an effective decrease of 11 per cent when inflation is considered?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the question is under review. When we are ready, we will make a relevant announcement.

REQUEST FOR MINISTERIAL ANNOUNCEMENT

Mr. Simon de Jong (Regina East): Madam Speaker, I have a supplementary question. It is incredible that the government, which is spending some $8 billion on health programs and health care in 1981-82, should only spend some $10 million on the evaluation of health services. The Medical Research Council received in increase of 22 per cent, and I congratulate the minister and the government for that move. Surely the NHRDP program is an integral part of that and the two must work together on research. Again I should like to ask the minister when will she inform the scientific community that the funding for this important and much needed program will be increased?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as the hon. member has said, the estimates for scientific medical research have just been increased by 22 per cent.

[*English*]

The budget on the other hand of the NHRDP program, which is another program of medical research, is, as I said, under review. I will be announcing tomorrow the exact budget for it. The hon. member may be interested to read the clippings and the press release that I will send to his office as usual. We have lots of complex dossiers and we do our fights one at a time.

* * *

REGULATORY REFORM

ECONOMIC COUNCIL REPORT

Hon. Ron Huntington (Capilano): Madam Speaker, I should like to put my question to the Prime Minister. We heard the Minister of Finance say that the answer to much of the economic dilemma we face in this country today lies in greater productivity. I think that pretty well all the members of the House would agree with that statement. We have the Economic Council report on reforming regulations, which shows that our productivity can be substantially improved by reducing the burden on those producing goods and services. Yet on the eve of this report we read about discussions that have taken place at Meach Lake to the effect that the same high level of ministerial involvement can be expected as we have had in the energy program. Do we infer then, Madam Speaker, that the government is rejecting the Economic Council report on regulation reform, and are we to expect more government structuring and intervention in our economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in reply to a previous question I indicated that the hon. member's information on the Meach Lake meeting is completely fanciful and fabricated.

Some hon. Members: Oh, oh!

Miss MacDonald: It is from Lalonde.

Mr. Clark: Lalonde was wrong again.

Mr. Trudeau: I regret that the hon. member has been misinformed.

Mr. Clark: You cannot believe a thing Lalonde says.

GOVERNMENT POLICY

Hon. Ron Huntington (Capilano): Madam Speaker, the information I have comes from the official Liberal organ, the Toronto *Star*, or the Trudeau Star. In light of the Prime Minister's reply would he clear up some of the confusion that remains in government policy toward the important subject of productivity? For instance, according to a headline in the Vancouver *Province* in December, 1975, the Prime Minister said there was "no way that the free market system can be made to work now or when the anti-inflation program ends."

On the Prime Minister's return from the Bonn Summit he said:

> We will remove the intrusions of many government policies and regulations from individuals and businesses; in some cases this will mean returning functions to the private sector, in others it will mean removing the heavy hand of government and its drag on personal initiatives.

The situation in the country is serious. It is time the Prime Minister—

Madam Speaker: Order. Order, please. It is high time for the question too.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the speech that the hon. member refers to, in 1975, indicated that the free market system is not perfect and that indeed some regulation of it is required. That is precisely the position being put forward today by members of his own party when they were enjoining the Minister of Consumer and Corporate Affairs to get along with his competition policy so that we could ensure that the monopolistic powers which exercise control over the economy are somewhat regulated through an anti-combines policy—

Mr. Clark: Will it affect Jack Austin?

Mr. Trudeau: —to prevent that control of the economy by the private sector where the free market system does not operate.

[*Translation*]

EDUCATION

FEDERAL GRANTS TO PROVINCES FOR POST-SECONDARY EDUCATION—GOVERNMENT POSITION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is also for the Right Hon. Prime Minister in the absence of the Secretary of State.

Last week, the Secretary of State announced that the federal government would maintain its financial assistance to post-secondary education and in conclusion he said this:

> The federal share of post-secondary financing exceeds that of the provinces, but it is not sufficiently directed towards national objectives . . . and is hardly likely to underline the federal presence.

Can the Right Hon. Prime Minister explain to what extent his government is willing to invade this area of provincial jurisdiction?

Right Hon. P. E. Trudeau (Prime Minister): I do not really understand the question asked by the hon. member, Madam Speaker. Since the mid-sixties, I think, the federal government has played a major role in financing post-secondary education in the provinces, and this because the provinces had been clamouring for very generous grants. In the past, the federal government has paid around 50 per cent of the costs of post-secondary education, and the rest was paid partly by the provinces and partly by the students themselves. If the hon. member approves this policy, as I believe he does, he should not wonder about the federal government's interest in educational problems, at least as concerns footing the bill. What the Secretary of State was saying in his reply was that it is not normal that in an area essentially under provincial jurisdiction, the federal government should pay not 50 per cent, but up to 60 per cent of financing while the provinces have reduced their own grants in the last few years for post-secondary education, which of course forces the students to pay more. What we suggest essentially in this regard is that if those provinces which claim jurisdiction in this field, as the hon. member was saying, can look after their own field of jurisdiction, they should be able to pay at least 50 per cent of the costs.

Mr. Kilgour: I have a supplementary, Madam Speaker. I am of course talking about the Liberal notion of renewed federalism or, if you prefer, of Liberal imperialism. Is the Right Hon. Prime Minister willing to define the contents of post-secondary studies under the twelve objectives of his national colleagues?

Mr. Trudeau: Madam Speaker, once again, the Progressive Conservative party should make up its mind! Do they want us to pay or not? I cannot understand the hon. member when he suggests that we are imperialists because we pay between 58 and 60 per cent of the costs.

• (1450)

[*English*]

MANPOWER

ONTARIO WOMEN'S OUTREACH GROUPS—REQUEST FOR MEETING WITH MINISTER

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the Manpower outreach programs, which are some of the better programs of his department. Ontario women's Outreach groups have requested a meeting with the minister eight times now because of their concern about the future of the Outreach programs. Will the minister tell us why he is afraid to meet with these women? Will he also tell us what his plans are for the future of the Manpower Outreach programs?

Mr. Paproski: He hates women.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member may be interested to know that meetings are planned with representatives of the Outreach groups next week.

Mrs. Mitchell: Madam Speaker, it is my understanding that those meetings are with his officials, and my question concerned the future of the Outreach programs, both for women and other important groups.

SUPPORT FOR PROGRAMS AND SERVICES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, the stringent regulations which are being proposed by the minister's department and the plans for assimilating these services in Manpower offices is just another way of terminating these important programs. Will the minister give us his assurance that he will support the kinds of programs that have demonstrated a permanent need, such as the program for the ethnic workers in Chinatown, and will he make sure that these programs are continued as permanent services.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in response to the hon. member, she may be interested to know that one of the primary directions we have taken in the department is to provide specialized counselling services to special groups in the community. Just a month ago we established eight major counselling units for women in employment centres across Canada. This is a pilot project aimed at demonstrating how we can re-orient the full range of government services to concentrate on that very important need to help women gain entry into the work force. What we are doing is re-allocating our resources and targeting at the real needs. An Outreach program will play a very important role in that new orientation of our department.

HUMAN RIGHTS

TRIAL OF VICTOR BRAILOVSKY IN U.S.S.R.—REQUEST FOR ATTENDANCE OF OBSERVER

Mr. David Smith (Don Valley East): Madam Speaker, my question is directed to the Secretary of State for External Affairs. It relates to the Victor Brailovsky case. Considering the importance of the Brailovsky case in terms of human rights, and in view of the slanted information one gets from Soviet news agencies which cover these show trials, does the minister plan to instruct the Canadian ambassador to seek official observer status for one of our diplomats, as was done in the Shcharansky trial, in order to ensure impartiality of the information which the minister and his department will receive on this matter?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Brailovsky case is one of those on which we have already made representations to the Soviet Union. I have already instructed our ambassador to seek this status at the trial in Moscow.

I should point out that on a previous occasion when observer status was requested during the Shcharansky trial, our observer was not allowed into the courtroom. In any event, we intend to seek such status and attempt to have him attend the trial.

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ENVIRONMENTAL AFFAIRS

RELOCATION OF RADIOACTIVE SOIL NEAR BANCROFT, ONT.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, my question is for the Minister of the Environment. It concerns the contaminated radioactive soil from Scarborough and its proposed relocation to the Madawaska mine site near Bancroft in Hastings County against the wishes of the local residents. Does the minister concur with his colleagues, the Minister of Energy, Mines and Resources and the Minister of Public Works on this proposed relocation? Also, can the minister confirm or deny the existence of arsenic in this soil?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the answer to the first part of the question is yes, and the answer to the second part is that I will have to check and find out.

POSSIBLE DANGERS TO ENVIRONMENT

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, my supplementary question is also addressed to the same minister. In light of the minister's apparent strong stand on the problem of acid rain, will he use his offices to look into the possible serious consequences of this other threat to our environment, namely, the dumping of radioactive wastes in the Bancroft area?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I believe it is true to say that the Atomic Energy Control Board is looking into this matter very carefully. I will be very happy to express an interest and to find out for myself just what the facts of the situation are and to make some assessment of it.

* * *

AVIATION SAFETY

COMPOSITION AND TERMS OF REFERENCE OF TEAM DEALING WITH DUBIN REPORT

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of Transport. For the first time in history the ten aviation associations in Canada are unanimous in their approach to the formation of an aviation safety tribunal. Last week they asked the minister to table the terms of reference of the implementation team and to include representatives of the industry on this team and to exclude Mr. McLeish from it. Given this unanimity, would the minister now take the necessary steps to change his implementation team, and will he also table the terms of reference?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, on the last subject the terms of reference have been sent to the group either yesterday or today. They are going out, and there is no secret about these terms.

On the substance of the question, as I said in the House the other day, those associations which came to see me made the case that they, as associations, should be part of the committee for the implementation of the Dubin report. I begged to disagree with that because if that were to take place we could have a repeat of the Dubin inquiry, and that is not what is needed at this time. Then I made the case that, because my department is going to be involved in the implementation of the Dubin report, the head of the air administration had to be a member of the advisory committee in order to help me with the implementation of it.

Incidentally, I was very pleased to see the degree of unanimity that existed among the air associations on the quality and the value of the Dubin report.

TIMETABLE FOR INTRODUCTION OF LEGISLATION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, there is that degree of unanimity, but it is only in an attempt to get the report implemented. It is their very clear opinion that Mr. McLeish and the team will delay the implementation. If this indeed is, first, an implementation team, will the minister give us a timetable for that implementation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the committee will work as one, and even if Mr. McLeish wanted, he could not hold-up the consensus that will develop within that group of people.

As for implementing the Dubin report, and I have already referred to this, whether it will be 90 per cent, 95 per cent or 85 per cent, there will be discussion on that. I have already said in the House that I very much hope legislation can be brought forward in the fall. However, when I say that, I have to turn to my colleagues in the cabinet and pay attention to their views on the subject. Therefore, I have to qualify what I say by saying, "Subject to the approval of cabinet". Nevertheless, in the fall I should have legislation on the subject of an independent agency to investigate the case involving air safety.

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MANPOWER

REQUEST THAT MINISTER MEET WITH WOMEN'S OUTREACH GROUPS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. Earlier in the question period the minister was asked whether or not he would meet personally with women's Outreach groups. Will the minister stand up in the House and commit himself to meeting personally with women's Outreach groups in the next 30 days? Will he also make a commitment to the House that the budget available to women's Outreach groups will be at least as much this year as it was last year? Will he make those two commitments here and now?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it may be of interest to members of the House that the number of Outreach programs for women have increased from 13 to 21 since we took power. This is almost a 40 per cent increase over the position taken by the hon. member's government. I can say that we are working very diligently to make sure that the trend we established will continue.

As I indicated previously, we plan two days of meetings with Outreach groups next week, with officials in charge of the programs. When I receive their reports and have had a chance to read them, we will then take the next step as we see fit.

Mr. Hawkes: The minister carefully avoided answering whether or not the budgetary amount in the year ahead would be equal to the year just past. It is possible to have 21 projects with one staff person each, whereas there were 14 with ten, and that is a considerable budget cut.

● (1500)

LEVEL OF FUNDING FOR WOMEN'S OUTREACH PROGRAMS

Mr. Jim Hawkes (Calgary West): Will the minister indicate whether the funding in the year ahead for women's Outreach programs will be at least as great? Will he promise this House that that amount will be at least as great in the year ahead as it was for the year just past?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As I indicated in my previous answer, Madam Speaker, we have substantially expanded the ability to provide counselling and Outreach services to women across this country, steps that the hon. member's government did not even contemplate when it was in power, such as establishing separate centres. The fact is we have increased those budgets and we will continue to place emphasis on women's projects.

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BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, I rise on a point of order relating to the business of the House. Last Thursday when the business for this week was announced, it had not yet been decided what we would be doing tomorrow. Is the government House leader now in a position to tell us what the business will be tomorrow and also what the plans are for Thursday and Friday?

Mr. Pinard: Tomorrow, Madam Speaker, we will be considering Bills S-10, C-66 and S-19 in that order. I hope there will be agreement to dispose of all stages of those three bills with one speaker per party in each case. In so far as Thursday and Friday are concerned, on Thursday we intend to proceed with report stage of Bill C-57 and have the divisions at nine o'clock. We have worked on a House order which is now ready, but I would prefer to have it approved by the House tomorrow. On Friday we will be dealing with third reading of Bill C-57. We have already made an agreement to defer any vote until next week if a vote is required on Friday.

Mr. Knowles: Madam Speaker, I share the minister's hope that we can deal with those three bills tomorrow, and I believe we can. However, in a couple of cases we just learned today that they will be called. Therefore, we have not had time to check to see whether they can all be considered with one speaker per party. I did not want silence to mean consent, although I share the minister's hope.

[*Translation*]

Mr. Pinard: That is right, Madam Speaker; as a matter of fact, the Progressive Conservative House leader to whom I talked on the phone has made the same request. We will be in a better position to determine later today whether or not there is agreement to limit the debate on the two bills I have mentioned.

* * *

[*English*]

PRIVILEGE

MR. McKINNON—MOVE OF RCMP HEADQUARTERS "E" DIVISION

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a question of privilege. You will recall that on Friday I gave notice that I would be raising this question of privilege today. I have complied with your request that the documentation be sent to your office.

This comes about because I asked for the supplying of copies of all letters, papers and studies concerning the move of RCMP Headquarters "E" Division from Victoria to Vancouver, British Columbia. The House agreed to the motion, which was No. 51, on June 3 and the papers which have been supplied by the Solicitor General (Mr. Kaplan) came into my possession on June 11.

The paper that he supplied to me consists of five pages. The front page is a kind of cover sheet signed by someone, I have no idea who, for the President of the Privy Council (Mr. Pinard). The next page is another order sheet which reiterates what I said when I put down the order for the production of papers. At the bottom it says, "Attached—Summary of Organization Study "E" Division". It then goes on for two and one third pages with something that is unsigned. The heading is "Summary of Organization Study "E" Division". It is unsigned, undated and for all I know might have been written by somebody in the minister's office the night before it was tabled. This is all that the Solicitor General provided to me in response to this House order.

I would like to point out two things here. First, I already have in my possession several documents concerning this move. Two are of some note. The first is called "Organization Study, "E" Division". It is 35 pages long. Another one, 66 pages long, is called "Reorganization—British Columbia". It is filled with facts and figures. I might say that none of the figures represents costs, but I do not wish to get into the merits of moving or not moving at this time.

I have as well letters from mayors of some of the municipalities involved addressed to the Solicitor General, letters to and from Deputy Commissioner Reid, a press release put out by Deputy Commissioner Reid and a two-page document marked confidential, although I am rather puzzled as to why it is so marked.

I notice that when the parliamentary secretary spoke on the production of these papers, he said they were subject to the usual reservations about confidential documents; but the other documents which I have received in such quantities are not confidential. I note in this regard that Beauchesne at page 138, paragraph 390(2)(b), exempts "Papers, the release of which would be detrimental to the security of the State". I trust this is not meant to include documents which might cast some doubts on the infallibility of the Solicitor General or the RCMP.

Because I consider the meagreness of the documents to be in direct contempt of the House order by the Solicitor General and his failure to supply all documents in this matter hinders me in my duties in representing the federal constituency of Victoria, I will move, subject to your finding of a prima facie case, that this matter be referred to the Standing Committee on Privileges and Elections for consideration and a recommendation.

I can read the motion I have prepared if you would like, Madam Speaker. I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

Privilege—Mr. McKinnon

That the matter of the failure of the Solicitor General to table all letters, papers and studies concerning the move of RCMP Headquarters "E" Division from Victoria to Vancouver, B.C., when required to do so by an order of this House, be referred to the Standing Committee on Privileges and Elections for consideration and recommendation.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, since I was the one who tabled these documents in the House, perhaps I should reply to the hon. member.

With respect, this is not a question of privilege. The hon. member is disputing information that was tabled. He uses the words "House order" to give the impression that all members of the House ordered the government to release these documents. That is not entirely true, if my understanding of the rules is correct. The hon. member made a request under motions for the production of papers. The government complied on June 3. I stated, and the hon. member correctly quoted me, at page 10220 of *Hansard* that "notice of motion for the production of papers No. 51 is acceptable to the government subject to the usual reservations about confidential documents".

The hon. member went on to quote Beauchesne's citation 390(2)(b). He did not read on page 139 of Beauchesne's Fifth Edition citation 390(2)(1) "Cabinet documents and those documents which include a Privy Council confidence." They too may be exempted from the criteria of tabling in the House.

It is a normal custom in the House that all documents with respect to internal workings of a decision or internal working documents or memoranda are exempt from tabling in the House. It is for this reason that the government stipulated, as I did, that the motion for the production of papers was being presented subject to the usual reservations about confidential documents.

Madam Speaker: I would be enlightened if the parliamentary secretary could tell me a little bit more about the documents which were quoted by the hon. member for Victoria (Mr. McKinnon) and which I understand he received from other sources. I would like the hon. member to comment on whether those were part of the documents which were requested by the motion, or whether there are any particular reasons for failing to produce them, such as the fact that these documents do not belong to the government or were restricted for some other reason for which the government cannot table the documents. I think it would be helpful to my ruling if the hon. member could enlighten me on that particular aspect of the case.

• (1510)

Mr. Collenette: Madam Speaker, I really can only speak to what I received and what came to the Privy Council Office by way of my responsibility to table. The hon. member did quote the names of those documents. I have a copy of the motion for the production of papers, No. 51, in my hands, a "Summary of Organization Study "E" Division" in both official languages, and that was it. Whatever other documents the hon. member may have of a confidential nature he did not receive by a

Official Report

tabling in response to a motion for the production of papers. As one knows, very often confidential documents are released from unnamed sources; but, Madam Speaker, it is not really within my purview to comment on the accessibility the hon. member has to any other documents. I can only speak to the fact that these documents were tabled. The normal practice is that internal memoranda and working documents are not usually tabled in the House, and this has ample precedent in Beauchesne's Parliamentary Practices.

Madam Speaker: Usually members do not speak twice on a question of privilege, but if the hon. member can very shortly provide some enlightenment so I can rule on this question of privilege, I will make an exception and give him the floor for a few minutes.

Mr. McKinnon: Madam Speaker, I would just like to comment that none of these papers or documents is the kind generally referred to as arriving in brown envelopes. I got most of them at the Standing Committee on Justice and Legal Affairs. They are not confidential documents; they are simply documents containing information, correspondence and studies that were done which I asked through a privilege of the House to see. In no way are they of a confidential nature at all, unless it has become confidential to point out a lack of freedom of information in this House.

This document in my hand is one of the things that cause me concern. It is called "Organization Analysis and Development Branch". It was approved by Superintendent Fuchs and prepared by Staff Sergeant Langille. It says among other things that they considered numerous memoranda, and audit reports and statistical data were also reviewed in the course of the study.

These are the kinds of things I would like to see to determine whether this move, which is a crippling matter to the economy of Victoria, was well advised. I cannot see how we can conduct public business here if everything we want to see or read is to be classified for the benefit of government members.

Madam Speaker: I will take this particular question of privilege under advisement. I would like to look into the whole question.

* * *

OFFICIAL REPORT

PRACTICE RESPECTING CORRECTIONS MADE BY MEMBERS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise on a point of order simply in reply to the intervention by the Minister of Employment and Immigration (Mr. Axworthy). I think when he was here he was asking to correct some things he said in the House. I do not think there was any dispute that the minister in fact said those things, but I hope it will be clearly understood that what he actually said as recorded will be left in the record, that what will be corrected will appear in today's *Hansard* simply as a correction. Because in fact he did use the word "luxuries". If Your Honour looks at *Hansard*, page 10584, you will note an interruption from an hon. member—I do not know who that might be—saying "luxuries", and the minister carries on. There should be no attempt to change the record of what exactly the minister said.

Madam Speaker: The usual way to handle these corrections is to do as the hon. minister has asked the House to do. On the day he made his statements, I suppose he was making them in good faith, but on checking with *Hansard* he seems to have realized there was some discrepancy in the figures. What is usually done, I believe, and I stand to be corrected by the officers at the Table, is that the actual statement of the minister on that day is corrected.

Mr. Rae: No. Madam Speaker. I rise on a point of order.

Madam Speaker: I stand to be corrected if I am wrong, but my understanding is that when a minister or someone rises and says "I had said $2 million but I realize now it is $1 million", the $2 million is changed to $1 million.

Mr. Rae: On that very point, Madam Speaker, I have no objection to the minister's stating the next day, to be recorded at the front of *Hansard*, that what he meant to say was so and so, and then changing the figures accordingly. But I do object most strenuously to an attempt to change the record of what was said on the actual day. He did use the word "luxuries". The word "luxuries" was raised by way of an intervention by an hon. member from this side of the House, and the minister then carried on. Today he looks at *Hansard* and says: My gosh, I should not have said "luxuries", I should have said "items". That is too bad for the minister; he used the word "luxuries", and the word "luxuries" has to stand in *Hansard*, as do the figures he quoted. If he corrects himself the next day, I have no objection to the minister's making that clarification. But I do object to the implication that *Hansard* will be changed and that certain words will be expunged.

Madam Speaker: I understand that there will appear at the beginning of *Hansard* the correction as stated today, but that the bound volume will include the correction in the actual statement. That is the usual way in which these matters are handled in the House.

Mr. Rae: Madam Speaker, do I take that ruling to mean that we can then change what we said the next day and that that will appear in the final edition of *Hansard*? That has never been the understanding on which I have operated in this House or, indeed, other members of my party have operated. *Hansard* is sacrosanct in respect of what one said and it cannot be changed; but what can be changed the next day is a correction in terms of what one meant to say, and that appears in the bound edition as well. I understand that you cannot change what you actually said in the House of Commons. Once we start doing that, Madam Speaker, ministers can get up every day and say: This is not what I meant to say, and

then change the whole record. I think that is a very important principle.

Madam Speaker: I have *Hansard* here. If the minister states, as he did today, that the figure he meant to quote was such, then that corrected figure will appear in the bound version of *Hansard*. However, as to the use of the word "luxuries", I think the minister did have a chance to change that word at the time of his statement, and I am afraid that will remain as it is now. Today the intervention of the minister will indicate that he would have preferred to say "items". That will also appear in the bound version because it is an official intervention in this House. But the figures, where the minister has indicated there was a slight discrepancy in those he thought were the correct ones, will be changed in the bound version.

Mr. Rae: Madam Speaker, I am happy to have gotten half a loaf, but I am concerned. If the record is to be an accurate record of what in fact happens in the House of Commons, surely it should indicate that ministers when answering questions often give figures which are not 100 per cent correct and which are not an entirely accurate reflection. Usually the inaccuracy occurs on the high side when they are giving away money and on the low side when they are talking about their deficits.

If *Hansard* is the reflection of what goes on in the House of Commons, it seems to me that that fact should be reflected in the record and the record should not be changed. I have no objection to something being starred the next day with the notation "see the following page"; but I do have an objection the figures being changed, and it seems to me that is the principle which is involved. If the minister says in the House in his own words—and this an electronic *Hansard*—the figure of $1 million and not $927,000, then the $1 million figure should stand as the record of what he said on that day.

Madam Speaker: I am afraid the hon. member will have to be satisfied with half a loaf because this is not a ruling I am making. I am referring to a long standing custom in the House that someone who makes a statement in the House and the next day discovers there is a discrepancy in the figures quoted is allowed to signal that to the House, and the bound version of *Hansard* reflects that correction. I do not intend to change this long-standing custom of the House in this respect.

• (1520)

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES AND FORESTRY

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Alexandre Cyr (Gaspé) moved that the fifth report of the Standing Committee on Fisheries and Forestry, presented to the House on Thursday, June 11, 1981, be concurred in.

Motion agreed to.

* * *

[*English*]

PETITION

MR. SKELLY—USE OF UREA FORMALDEHYDE FOAM INSULATION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I seek the permission of the House to lay before it a petition signed by several hundred citizens concerning the economic loss and health hazards experienced resulting from the substance urea formaldehyde being placed in their homes.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,193, 2,230, 2,551, 2,552 and 2,556.

[*Text*]

FEDERAL PAYMENTS IN LIEU OF CONSUMPTION TAXES AND FEES

Question No. 2,193—**Mr. Herbert:**

Does the government make payments to the provinces in lieu of provincial consumption taxes and fees on its purchases of goods and services and, if so, what amount was paid last year by the provinces as federal consumption taxes on their purchases of goods and services and what amount is estimated to be paid in the current year?

Hon. Pierre Bussières (Minister of State (Finance)): The federal government makes payments in lieu of provincial consumption taxes and fees to six provinces who have signed Reciprocal Taxation Agreements. The four western-most provinces have not signed Reciprocal Taxation Agreements. With respect to the amount of federal consumption taxes paid by the provinces, these taxes are levied at the manufacturer's level and are in most cases already built into the retail price of goods. Revenue Canada-Customs and Excise, which is the department responsible for collecting federal sales and excise taxes, does not keep records of the incidence of tax by

individual consumers, whether private, corporate or government. Thus, it is not possible to know the amount of federal consumption taxes paid by the provinces in a given year.

GRANTS TO CHEESE FACTORIES—QUEBEC

Question No. 2,230—**Mr. Halliday:**

Were grants given to (a) the Co-op in Granby, Quebec to assist in developing their new specialty cheese plant (b) other cheese plants in Quebec and, if so (i) in what amounts (ii) during which fiscal years?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Regional Economic Expansion as follows:

Industry, Trade and Commerce

(a) No.

(b) Yes.

(i) and (ii)

Fiscal Year	Incentive Offers
1976-77	$133,000
1980-81	$207,000
	$340,000

Regional Economic Expansion

(a) Yes; $4,066,600 to Agropur.

(b) Yes.

(i) and (ii)

Fiscal Year	Incentive Offers	
1970-71	$ 94,055	
1971-72	389,060	
1972-73	25,088	
1973-74	242,406	
1974-75	—	
1975-76	83,435	
1976-77	77,000	
1977-78	4,632,450	(Agropur included)
1978-79	1,018,450	
1979-80	232,280	
1980-81	295,050	
	$7,089,274	

(NOTE: All the projects which received grants are not necessarily involved solely in cheese production. In some cases, other dairy products can be manufactured in the same establishment).

PURCHASE OF BOEING SIMULATORS

Question No. 2,551—**Mr. Stewart:**

Did the Department of Industry, Trade and Commerce purchase an airbus industrial A-300 flight simulator valued at $997,616 from CAE Electronics Ltd. and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): See reply to question No. 2,508 part (d) answered June 4, 1981, page 10262.

Question No. 2,552—**Mr. Stewart:**

Did the Department of Industry, Trade and Commerce purchase a Boeing B-767 flight simulator for $1,237,850 from CAE Electronics Ltd. and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): See reply to question No. 2,508 part (b) answered June 4, 1981, page 10262.

Question No. 2,556—**Mr. Stewart:**

Did the Department of Industry, Trade and Commerce purchase a Boeing B-757 flight simulator for $1,237,850 from CAE Electronics Ltd. and, if so, for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): See reply to question No. 2508 part (a) answered June 4, 1981, page 10262.

[*English*]

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Mr. Cossitt: Madam Speaker, I rise on a point of order to correct a statement I made in the House yesterday on a point of order with reference to one specific question, namely, No. 30, which I said had not been answered for a little over two years. The reason I rise to make this correction is that I have checked the matter out thoroughly and I have found that the answer has not been forthcoming for five years and five days as of today. I think that is probably a parliamentary record for stalling by this government.

If Your Honour will permit me to do so, I propose to read the question into the record. It is very short but I would like to read it into the record to show how simple it is and then ask the parliamentary secretary why, after five years and five days, this question has not been answered. It reads as follows:

1. Since January 1, 1973, what are the names and job designations of all persons employed by, connected with, or in any way associated with, the Canadian Transport Commission who were issued passes by Air Canada?

2. Did the wives or personal associates of any such individuals hold permanent or temporary passes of any kind on Air Canada during the same period and, if so, what are their names?

I do not see why it should take over five years to compile a list as simple and straightforward as that.

Mr. Broadbent: Why didn't your government answer it?

Mr. Cossitt: My friend on the far left from points south off the coast of Florida, etc., is asking in a heckling way why our government did not answer it. Because of inquiries I made at the time I know an attempt was being made to put the information together, but before the present government went out of office, it spent four years doing absolutely nothing. There is no reason why the preliminary work in compiling the answer done by the previous administration could not have been finished by this government long ago.

I suggest it is a record in any Parliament when a government neglects to answer a question for five years and five days. I think it is disgraceful. It is indicative of an arrogant adminis-

tration that lets on that it favours freedom of information—there is a bill on the Order Paper now respecting freedom of information which members of this government are crowing about across the country—yet does not answer a question as simple and straightforward as this. What on earth is the national secret? What is so terrible that the Canadian people should not know about it? Which people on the Canadian Transport Commission along with their wives have free passes on Air Canada? I do not understand this. Perhaps the parliamentary secretary could now tell us why this five-year-old mystery still exists.

Mr. Collenette: Madam Speaker, the hon. member for Leeds-Grenville (Mr. Cossitt) talks about a record but, without wanting to be too facetious, I think he sounds a bit like a broken record. He has been able to repeat this question today. This is not the first time he has repeated a question which has been on the Order Paper for some time.

The hon. member seems somewhat defensive about the fact that the government of which he was a supporter for nine months did not answer the very same question. I think his defensive remarks speak for themselves.

I note that there is a rule, referred to in Beauchesne, citation 299(2), about repetition. I ask whether one should be allowed to repeat day in and day out questions which have been put on the Order Paper in the normal way.

Mr. Cossitt: Madam Speaker, I rise on a question of privilege. It seems to me that any member loses his privileges if he does not have the right to repeat again a point of order of which this government has absolutely failed for five years to take note. We have privileges here. We have rights as members, but this bunch across the way has no respect for the rights of this House. Hon. members opposite have no respect for the rights of members of Parliament. They simply answer what they want to answer and hide the rest in the Privy Council Office. I think it is time something was done to stop this charade of a government putting it over on the House of Commons and the Canadian people and doing nothing about the real issues in this country.

Mr. Beatty: Madam Speaker, presumably the comments of the parliamentary secretary about repetition in the House of Commons could be directed at me too because this is the seventh time I have had to rise with regard to question No. 1,852. That question cannot claim the five years and five days record of the question of my hon. colleague, but I can invite the parliamentary secretary to join with me in the commemoration of the twenty-seventh week my question has sat on the Order Paper.

My question is a simple one. The minister who is supposed to be responsible for answering that question is the Minister of Communications (Mr. Fox), who is currently before a parliamentary committee defending the government's freedom of information legislation and saying that the government has a commitment to freedom of information. Surely the government has a responsibility, in dealing with the House of Commons, to demonstrate that it is serious about this. Rather than simply saying there is no problem and rather than trying to prevent members of Parliament from bringing matters to the attention of Your Honour when he does not do his job, the parliamentary secretary has an obligation to tell Parliament for what reasons questions have not been answered. Is it because the minister responsible for freedom of information has chosen to suppress information, or is it that in this particular instance this parliamentary secretary is incapable of getting a lazy minister to do his job?

While I am on my feet, may I also bring to the attention of the parliamentary secretary question No. 1,439, which was put on the Order Paper on July 11, and question No. 1,450, which was put on the order paper July 16 of last year? Both of those questions deal with the government's advertising program. Again this is not something which should be confidential information. If the parliamentary secretary would have the courtesy simply to tell hon. members on this side of the House that he is refusing to supply answers to certain questions, we would be prepared to stand some of them down; but surely we are entitled to some explanation.

Mr. Collenette: Madam Speaker, if I may, I would like to refer the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) to my six previous answers to his six previous questions. I have assured the hon. member that I am doing my job in trying to get answers. Evidence for that is that we have tabled in this House over 80 per cent of the answers requested by the opposition. I think it is grossly unfair for the hon. member or any of his colleagues to accuse the government of not being willing to supply information. The government has never refused to answer any question on the Order Paper.

The hon. member knows full well that many of the questions asked are complicated and that many of them require replies which involve expensive research. I find it rather ironic that the party which champions restraint of government spending puts so many questions on the Order Paper which require millions of taxpayers' dollars to answer, and then hon. members opposite state in the House that the government is not doing its job. The government has done very well in the last year and a half by answering 80 per cent of the questions. We shall continue to press for answers.

In the last month or so certain questions standing on the order paper in the name of the hon. member for Leeds-Grenville for quite some time have been answered. I pledge to Your Honour and to all members of the House that I will do my best to obtain answers to all the questions on the Order Paper.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

● (1530)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—INTERNATIONAL RELATIONS

Mr. Edward Broadbent (Oshawa) moved:

That this House expresses its continuing concern with respect to Canada's international relations and calls on the government to demonstrate a meaningful interest in South and Central America and, in particular, to initiate steps aimed at establishing a negotiated settlement of the tragic civil war in El Salvador.

He said: Madam Speaker, I want to begin my speech by quoting from a newspaper report as follows:

It was on a Sunday that Felix Jiminez decided to leave El Salvador.

He was in church near his home in the Salvadorean capital when suddenly a band of men drove up in unmarked cars. All along the street, people were ordered from their houses.

Soon after, two young men lay dead and 18 others had been bundled into the cars and driven away. They were not heard from again.

That, Mr. Speaker, was from last Saturday's *The Globe and Mail*. Two weeks ago tomorrow I was in the capital of El Salvador and on that particular day 27 bodies turned up in the capital, many decapitated, most of them tortured. The point I am making at this time is that terrorism is all pervasive in that small country to the south of us.

To put it in some kind of perspective for Canadians in particular to relate to, I want to say that the 22,000 men and women who have died so far in that brief war compare exactly numerically to the number of Canadians lost in total during the Second World War, from 1939 through to 1945. In that war we as a nation lost 45,000 killed. Our population at that time was roughly double that of El Salvador today. I repeat: In comparative terms that brief and tragic civil war going on in El Salvador has taken as many lives in roughly 18 months as Canada lost in comparison to our population in the period from 1939 to 1945. It is not a light matter, Mr. Speaker. It is something that should profoundly concern human beings all over this planet, wherever they may live.

I want now to say something about the causes of that conflict because it is very important, if we are going to come to grips in a serious way as a nation and play our role—I will get to that in a minute—and make constructive, workable proposals, that those proposals in fact correspond to the historical reality.

Contrary to what some of us have heard—and some of it has been said in this House—the conflict in El Salvador, that terrible civil war, is in its reality exactly the same as revolutionary situations that have occurred elsewhere in the past. The civil war now being waged is the byproduct of a classic class conflict, one which has arisen because a handful of people have had a disproportionate amount of power and wealth. A very small minority at the top of that small country have controlled the vast majority of wealth and virtually all of the power throughout this century.

Just as it has happened in the past, indeed in the eighteenth century in the United States when power was thought to be unfairly held by the then mother country over the United States, the United States had their revolutionary war. So have other countries in the past, such as the French. The French revolution was a class conflict war. The English had the same in the seventeenth century. Throughout the world historically you get an internally generated crisis of a particular kind that we know as a revolution, and it is a crisis because the vast majority of people finally rise up against those who are attempting to hold them down. That is precisely what is happening in El Salvador.

The conflict is being perpetuated in part because a particularly interesting historical group of Catholic priests in recent years have taken their Christian doctrine quite literally and have, under the profoundly important moral leadership of Archbishop Romero, started to teach a Christian doctrine that says that men and women have a right to certain liberties, including the right to organize their existence, their means of labour and the conditions under which they work in society. So the Christian church has played a profoundly important role, and is doing so today, in what is going on in that conflict in El Salvador.

Another way of expressing a cause of the conflict is by reference to the moderate political leaders, Christian Democrats as well as Social Democrats, who left the junta established some 18 months ago and joined the guerrilla forces because they saw that the junta was not building justice in that land, that indeed it was perpetuating the terror it had ostensibly been set up to deal with.

The conflict is also caused—and this is also very important to note in the context of yesterday's debate—by the indifference to such circumstances by the United States of America, a country which all too often has said vis-à-vis the countries of Central and Latin America that all they require is a government in those countries friendly to the United States. Well, Mr. Speaker, when I visited Central America recently I met a person—I am not at liberty to say where or under what circumstances—who was a man who would describe himself as a devout Christian. He said to me about his country: "The Americans have historically said to us: 'We want a government here friendly to us' ". He said to me: "We Salvadoreans want a government that is friendly to us". There is all the difference. He was saying that it is time that the United States began asking in Central America for governments friendly, not necessarily to themselves, but to the people in those societies.

Some hon. Members: Hear, hear!

Mr. Broadbent: The conflict, Mr. Speaker, is being caused by the departure of the humane civilian and military people from the junta established in 1979, people who have had to take up arms to protect themselves, their liberties and their families. They are, I say without exaggeration, in my experience the kind of men and women who would be sitting on both sides of this House, who would be found in the Liberal party, the Conservative party and the New Democratic Party.

The reality is that those who are committed to a civil order, to reform of the most moderate kind in El Salvador, have now been driven by their integrity into a guerrilla kind of operation. That is the reality, Mr. Speaker. It was Robert White, the former ambassador of the United States, who said about the regime that existed after the junta was established in 1979:

They have killed a minimum of 5,000 or 6,000 kids just on mere suspicion.

That is the kind of government which exists in El Salvador today.

I want to stress, Mr. Speaker, as directly and as humanly as I can, that it is time that we in Canada, those in Central America who have a sense of decency, those in western Europe and elsewhere in the Third World, said: enough is enough; this human slaughter must stop. Wherever mankind is needlessly suffering, we have an obligation to help. In particular, violent death must concern us all. If it does not, then those people who have said—and there are quite a number—that the twentieth century has made man into a totally insensitive and brutalized creature will turn out to be correct.

● (1540)

Before turning to what we in the country can and should do, I want to deal with some myths about this conflict which were partly created in Canada, certainly perpetuated in Canada, and partly elsewhere, certainly in the United States. The first myth is that the civil war was the product of a sinister sequence of events and personnel which can be traced from its terminal point in El Salvador back to Havana and ultimately to Moscow. Regrettably this idea or belief is wedged in the minds of certain policymakers. It is certainly in the minds of key policymakers in the United States of America. Nothing could reflect a deeper misunderstanding of the history of any country than the belief that a revolution, based on the profound rejection of an unjust order of the kind being experienced in El Salvador, can be exported from one country to another. There is no country in the history of mankind which has been able to export a revolution. Either the conditions for such a revolution exist or they do not.

The kind of argument one hears in the United States is false. I regret to hear it, even from intelligent human beings. It is exactly analogous to saying that the French revolution occurred in 1789 because a number of Frenchmen happened to have heard from a number of democrats who were very successful in the American revolution of 1776. Of course it is true that the war of independence had an effect upon European thought; it would be silly to deny it. But it would also be silly to suggest that the profound change through which France was going was caused by a few ideas that drifted across the Atlantic Ocean. So, too, in Central America the cause of revolution is not the exportation of Marxist ideas; the cause of revolution is the unjust life millions of people have to live.

Some hon. Members: Hear, hear!

Mr. Broadbent: The second myth is one in which I am afraid the present Government of Canada believes. It corresponds to certain views of the Secretary of State for External Affairs (Mr. MacGuigan) and of the Prime Minister (Mr. Trudeau). It is that the present government of President Duarte is "a centre government" which somehow resides between the two extremes—the radical right, on the one hand, and the radical left, on the other.

I spent two weeks in that region. I talked with both sides in the conflict in El Salvador but, more important, I talked with people in other countries who were much more familiar with the area and the history of El Salvador than I could ever be because they grew up in that region and paid very close political attention. These political figures go all the way from Fidel Castro on the extreme left to the President of Costa Rica, who is a democrat but quite a conservative individual; ideologically he is on the right. They include the President of Mexico and, in short, a broad spectrum of political ideologies.

What is their view? Do they agree with the Government of Canada that what is in existence in El Salvador is a centralist government which is somehow keeping the forces of the right and the forces of the left at bay? The consensus I obtained from my trip is not that at all. In fact the consensus of mature people of judgment is exactly what I alluded to a minute ago—the government of El Salvador is a government of the extreme right. The people who control El Salvador today, as we debate this important topic, are not the handful of civilians, including President Duarte. The people in control are the army and Colonel Garcia. It is a right-wing, repressive regime; it is not a moderate, centralist government.

The government has lent some credibility to the third myth. I hope the Secretary of State for External Affairs is doing some homework, at least to apprise himself of some relevant facts in this regard. The argument is that the government of President Duarte is committed to democratic elections, next year at one level and two years from now at another level, and that we in Canada and those elsewhere in the world should encourage this alleged democratic process. I ask all hon. members of Parliament whether it is sensible to talk about a democracy in a land where approximately two weeks ago 25 people in one day alone were tortured and mutilated overnight? Every day the body count in the capital is roughly the same. One day it is 27, another day it is 29, but it goes on day after day. It is terrorist killing. It is not the killing between the combatants on both sides, between the guerrillas, on the one hand, and the army on the other. These are innocent victims. Can we talk meaningfully about an election under those circumstances?

I pose the following question to the democratically-elected politicians of the House: Who would become a candidate now in El Salvador? Would a Progressive Christian Democrat or a Social Democrat? Would anyone other than a member of the very extreme right dare to become a candidate? Surely the answer is no. I know it is from conversations I have had, because they fear for their lives and the lives of their families.

Even if they had the courage to become a candidate, would it make sense for any of them to expect that the army would respect the election results? In the late 1960s there were elections in El Salvador. They were turned over by the army.

In 1972 there was another election which was turned over by the army. In 1977 there was another election. Once again the army did not like the results and once again the results were denied. In one of those elections—and perhaps in two of them—a man named Duarte took part and had the pleasure of the army overturning his election.

The result of the present conditions has led the bar association of El Salvador to refuse to participate with the government in existence now in drawing up electoral regulations. Its bar association recognizes exactly what we recognize, namely, that elections under present circumstances would be a complete and utter travesty of democracy. This is something we must clearly understand as well.

● (1550)

Beyond that, beyond the factual reality that you cannot have elections in an atmosphere of terror, there is another concern which I have about governments, including our own. Our government has made statements—and I am looking for revisions in them—in support of the electoral process under circumstances which are totally unjustified to a person committed to democracy.

Our government does another and more subtle disservice to humanity in that country, and I had this pointed out to me, too, when I was there. This government says we must support the Duarte government because that government is committed to elections. In this argument a veneer of respectability is given to what is going on, which causes people who are genuinely concerned about elections to say, "Oh well, if the government is concerned about elections there, I guess it must be a pretty good government". So there is a more sinister aspect, conscious or otherwise, to the argument that the government in El Salvador is committed to elections and therefore we should support it. I repeat, this argument gives a veneer of respectability to a government, a junta, which civilized people would hold in utter contempt in terms of what is going on in that society.

Myth No. 4 which I would like to deal with is the claim that terror is being used equally by both sides. I wish to make the distinction here between violence and terror. Violence is an inescapable aspect of civil war. By definition, what is meant is that one part of society takes up arms against another part and, of course, there will be killing on both sides, which is regrettable. But when I talk about terror I talk about the killing for political purposes of innocent men, women and children who are non-combatants. They are innocent victims.

Therefore, when people have said that terror is being done by both sides, as a Social Democrat I was concerned to find out if it was being done by both sides. I spoke to people who I thought would have credibility, who would have a sense of integrity with regard to what is going on. In this case I spoke to people connected with the church. In Mexico City I met Mr. Roberto Cuellar, the director of the legal branch for the Archbishop of San Salvador. I put to him the following question: Who is practising terrorism? I asked him who commits the abominable acts—and photographs are available of the most grotesque kinds of torture which is going on. I asked him who is indulging in this kind of inhumanity toward man. The answer I received was that it was not being done equally by both sides. That is not the case.

I repeat, I received this information from an official of the Archbishop. He assured me that when he received the terrible information about a mutilated human being, man, woman or child, he would go out and verify the facts before they were counted. As a result, their body count, to use very unpleasant language, is much lower than other figures which I have seen. The figures are lower because an actual inspection has been carried out, and when that inspection is done it is found out who is responsible for the killing. The report I received from Mr. Cuellar was that 80 per cent to 90 per cent of the acts of terrorism are being carried out by the security forces in El Salvador. They are not being carried out by the Front, in the main.

Of course, there are some acts of violence of a terrorist nature which are isolated acts of terrorism being carried out by the Front. Mr. Cuellar pointed this out, too; but that is precisely what they are—isolated. They are not part of a systematic policy, a systematic, barbaric form of politics which is being practised, at least with the full knowledge and cooperation of the army in El Salvador by the security forces.

Myth No. 5 goes like this: Both sides are equally responsible for the continuation of the civil war. Once again, this is not true. There is only one side which has said that it is open to a negotiated settlement, and that is the Front, that collection of Social Democrats, Christian Democrats and, yes, Marxist-Leninists in the guerrilla movement as well. That broad spectrum of Salvadorean society represented in the Front has said—and they alone have said it—that under the circumstances they want a negotiated settlement. They want an end to the violence by means of negotiation. It is not the case that the government is interested in a negotiated settlement. It is committed to the present program to which I have already alluded—elections a year from now for part of their intended democratic structure, and elections two years from now for another part.

What is important to stress is that they are totally implicated, therefore, in a military victory. That is what is meant if they say they do not want negotiations now. To put it bluntly, they mean they want more killing. They want more violence until they emerge triumphant. I also want to say that if they are implicated in the perpetuation of violence, those who have come to their aid and who remain on their side are equally implicated. I refer specifically to the United States of America which is directly implicated.

Some hon. Members: Hear, hear!

Mr. Broadbent: I also say that the Government of Canada, when it says that it supports the Duarte government in its commitment to democratic elections, is equally implicated, by logic, to a violent solution to this civil war.

Some hon. Members: Hear, hear!

Mr. Broadbent: To say that you are committed to democracy and to free elections when that entails the giving of your support to a government which refuses to negotiate, a government which wants to perpetuate the war, means that if you have moral consistency in your own arguments you, too, are committed to a violent solution to this civil war. I say to the Secretary of State for External Affairs that the people of Canada are committed to a peaceful solution to the conflict. They will have nothing to do with a government which supports, by any means whatsoever, a violent solution to the terrible problem which exists there.

Some hon. Members: Hear, hear!

Mr. Broadbent: Before coming very specifically to some measures which the Canadian government could and should undertake, I wish to stress one other important point which flows from what I have said thus far. If it is important to change the position of the Duarte government, and if it is important to get that government to accept the necessity to negotiate, to accept the desirability of bringing an end to the slaughter, it is of the greatest importance, in fact of fundamental importance, to get the United States of America to change its policy in El Salvador.

Some hon. Members: Hear, hear!

Mr. Broadbent: As long as the United States props up the junta with military assistance, as sure as we are in this chamber taking part in this debate will the junta go on forever in terms of a military solution. A flexible attitude cannot be built up in the junta if it is built up militarily. The only way to get the junta and the army to negotiate is to take away some of their weapons, to take away their means of destruction. That is fundamental. The Americans are involved and we must do everything we can as a nation to change American policy.

Some hon. Members: Hear, hear!

Mr. Broadbent: I now want to come to six specific suggestions which I think ought to be considered. More important than being considered, these are suggestions which should be acted upon by the Government of Canada. First, in my view the Government of Canada should now publicly offer to provide a mediation role in El Salvador. On the basis of my travels to a half dozen countries in the region, I can say that if the Government of Canada publicly did this there would be widespread support for such a peaceful gesture.

Second, statements supporting negotiations must be made soon to increase the visibility and credibility of a mediation proposal. Again the Prime Minister of Canada and the Secretary of State for External Affairs should show some leadership by making statements to this effect.

● (1600)

Third, Canada should actively seek out other possible mediators in Central America. I know that among the states that I visited there are some that would be willing to join in such an important mediating process. I also know that a very substantial consensus of all governments that I met, in their vast divergence ideologically, want a negotiated settlement. They want an end to the violence.

Fourth, Canada must encourage international organizations like the United Nations to play an important role in building international support for a negotiated settlement.

Fifth, Canada must promote the establishment of a multinational consortium of potential donors to establish a reconstruction fund contingent on the prompt resolution of the conflict through diplomatic means. There are serious economic problems in that land, no matter the outcome of the civil war, and we must do our part to provide some financial assistance to those people.

Sixth, the last but certainly among the most important points, Canada should join with all those states in Central America, those countries in Europe, those many states in the Third World which favour a negotiated settlement, in demanding that the United States cease supplying arms to the junta. That is absolutely crucial if we are to get a peaceful settlement.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, I should like to thank hon. members. I shall conclude shortly.

Yesterday, when participating in a debate on foreign policy and in particular on the North-South question, the Prime Minister said the following:

> Within our own borders we have long realized that there can be no freedom for some without freedom for all. An assault against the basic rights of my neighbour inevitably places in jeopardy my own rights, my own security and freedom. We have little trouble accepting the truth and the implications of that statement within our own borders.
>
> We have more trouble in giving a modern answer to the very old question: Who is my neighbour? Is she the woman rummaging for food in the back streets of an Asian shanty town? Is he the man in South America in prison for leading a trade union?

Perhaps in Guatemala; perhaps in El Salvador. The Prime Minister continued:

> Are my neighbours children running from the sound of gunfire in the streets of Beirut?
>
> If we, the peoples of the North, say yes, then we will act; we will act together to keep hope alive. If we say no, then they are doomed and so are we.

I want to say on behalf of my colleagues in this House, Mr. Speaker, and I am sure many more, that I agree with those sentiments. I also want to say that it is very easy to make statements of that kind; it is equally easy to agree with them. What counts in human affairs is action, not talk.

In his speech the Prime Minister called for a new kind of attitude by world leaders. He made an appeal for that. If this call is to be at all effective, it must be illustrated by action. This action must be bold and imaginative. It must reject some of our own outmoded policies, such as automatically following

the United States even when the Americans are profoundly wrong.

Canadians want leadership on the tragedy that is El Salvador today. Since I have been a member of Parliament I have never received letters of such moral concern on an international question as I have on this matter. So I say that if the Prime Minister does not act in the direction that I have suggested, then other world leaders will appropriately turn a deaf ear to his persuasive rhetoric.

We in this party say that Canadians will not settle for words alone. We can and we must, as a nation, do much more.

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): Mr. Speaker, yesterday in the government-initiated debate the Prime Minister (Mr. Trudeau) spoke of the flashpoints of crisis in international life against the backdrop of global challenges and difficulties. In my own contribution I addressed specific foreign policy dilemmas that we face in the framework of Canadian foreign policy values. Today, on an NDP motion, we are invited to continue the debate on Canada's international relations, with particular reference to South and Central America, and, by way of example, we are directed to consider the tragedy of El Salvador.

The countries of South and Central America all, without exception, belong to the Third World, and in a general debate on foreign affairs I believe it is incumbent upon me to advance some generalizations about our foreign policy toward the Third World as a whole.

Obviously, my response must admit both diversity and nuance. The quality of Canada's relations is not the same with small, remote islands as with large, developing countries. Neighbours have a different priority from those remote from us. We protect and cherish the special links of the Commonwealth and *la Francophonie*.

Even though the process of decolonization has been largely completed, many developing countries remain highly volatile. Government methods and social forms are often still in formation or are fragile. It is in the interest of democratic countries like Canada that Third World states develop freely-created institutions which correspond to the needs of their own societies and form the basis for stable government, while at the same time providing adequate protection of individual human rights.

Whatever attractions Communist ideologies may have had in the first blush of post-colonialism, they have been overtaken since then by the self-serving record of the U.S.S.R. in the developing world and the poor economic performances of the most eastern European countries. There has also been a diminution of the compulsive anti-western sentiments which often characterized political views in the developing countries two decades ago. These trends have in fact all combined to create a more positive set of circumstances for co-operation between Third World and western countries.

However, Canada's first principle toward the Third World is the promotion of genuine independence, non-alignment and stability. Putting it another way, I can say that we want to immunize the Third World from, rather than involve it in, East-West confrontation. As I said yesterday, our approach is to treat Third World countries on their own merits. Our goal is, in fact, a pluralistic world in which there would be room for the Third World objectives of independence and self-determination.

Second, we do not believe forms of government or economic systems are matters to be imposed from outside. Obviously, we will seek to explain to Third World countries why we believe as deeply as we do in free and representative institutions; but their social, economic and cultural circumstances are totally different from ours. The example of the success of our societies will of itself be the most convincing argument we can present. But short of international consensus, as in the case of Iran, or the Soviet Union over Afghanistan, or Rhodesia, we will not impede trade flows to reflect our view of their choice. In extreme cases, trade facilitation measures may be diminished, as was the case with a developed country, South Africa, in 1977. But we have not traditionally cut off aid relations, directed as they are toward improving the standard of living of people, when governments adopt positions we do not favour.

The third principle is that we expect that governments of all countries will be vigilant in the observance of their first and fundamental obligation—to their own people. Gross violations of human rights are and must be a source of concern and action on the part of the international community. However, when considering the appropriate response, I favour action which is effective and which stands a real chance of influencing the government in question. I oppose hollow gestures and the withdrawal of mechanisms which benefit Canadians, withdrawals which will not change the minds or the practices of the offending government. Especially in cases where the momentum for democracy and human rights of the foreign government is in a progressive rather than a retrogressive direction, we must try to use private counselling and positive reinforcement rather than strident public denunciations.

● (1610)

Fourth, we believe that it would be inappropriate for our foreign policy to reward adventurism and interference. Countries of the Third World face desperate and formidable challenges. It is for this reason that we have withdrawn aid programs from those countries whose scarce resources are diverted to war and conquest.

These four principles may set us apart from some other developed countries, but that does not mean we cannot work with them. We will examine, for example, the invitation of the United States and Mexico to work together to promote economic development in the Caribbean and the Central American region. For our part, this task is well in hand in the Commonwealth Caribbean, and we expect that our major emphasis will continue to be on these islands.

We may well not endorse all of the foreign policy imperatives of the American—or indeed of the Mexican—government, in promoting this initiative, but we can, I am confident, find common cause in the overriding need to develop the region and therefore find ways of reconciling our differing objectives. National motivations need not be identical for a common plan of action to be established.

For too long there has been a tendency to consider Latin America and the Caribbean as a single area, ignoring the fact that it is an area made up of 39 independent countries, dependent colonies and territories where the languages spoken are English, French, Spanish, Portuguese and Dutch, in which at least 20 have enjoyed political independence for over 150 years and all of which were at one time colonies of the great European colonial empires. Almost the only common thing about them is their colonial heritage and the fact that in many of them Spanish is the common language.

But these countries are no more like each other than are Australia and Canada. Each has its own history, its own racial mixtures, its own social development and its own economic status and potential. We must, therefore, deal with them individually.

Some will be important to us as export markets; others as sources of needed imports. Some will be sources of immigrants; others the destination of Canadian tourists. Some will be important because of their role in international affairs; others because of their need for development assistance to which we can contribute. Some will have shared political values. All have cultural traditions to which we can relate and in which we can share for the mutual benefit of our societies and our peoples.

Looked at in economic terms, these Latin states are all countries of the South. What is Canada's role in Latin America, or indeed in other parts of the world, in promoting the North-South dialogue? The government agrees with the Parliamentary Task Force on North-South Relations that Canada should base the development of Canadian policy on North-South issues on two major principles. First, the mutuality of interest of both North and South in solving global economic problems. Second, the humanitarian need to focus attention and resources on the world's poorest peoples and countries. These concepts will motivate Canada's aid programs and govern our efforts in the search for compromise.

[*Translation*]

Neither countries of the North nor those of the South constitute homogeneous groups. In spite of their diversity the south countries draw their feeling of unity from the convictions they share and from a common perception of their position in the world. Among other things, they are convinced that the international economic system has been overly favourable to the rich countries, and that is why they are asking that the rules of the game be changed. They want the system to be more accommodating for them. The poorest among them entertain more limited ambitions: they only want to survive, to improve their lot to a certain extent, and to keep their societies intact, and that regardless of forces and situations over which they often have no control whatsoever.

We should not wonder if developing countries seek to use existing international institutions to achieve their aims. New industrialized countries, such as Brazil, are ever more active within the GATT. Canada itself did contribute to set up post-war international institutions because it looked upon them as a means of reducing its own vulnerability and opening new avenues for international co-operation.

Unfortunately, the poorest countries are the ones which will probably benefit the least from any change in the institutions or in the exchange and payment system which might result from the North-South negotiations. It is towards those poorest countries—Haiti, Honduras and Guyana—that Canada will continue to direct its bilateral aid. In fact, our bilateral public aid to development has always been concentrated on low income developing nations. During the seventies that concentration accounted for an average of 70 per cent of our funds earmarked for public aid to development. Canada ranks first among industrialized nations in terms of percentage of aid to development which it gives to the poorest countries. The main objective of the Canadian program of co-operation and development is to support the efforts which the developing nations are themselves making to meet the needs of their own people. To that end, the bilateral program will be focused on three priority sectors: agriculture, energy and human resources development. It is in those three sectors that Canada's resources are best tailored to the needs of developing countries. We will be giving priority treatment to those sectors in the coming years.

[*English*]

As far as Canada is concerned, our commitment to development assistance is now well entrenched. Let me simply reiterate the government's policy to allocate to ODA 0.5 per cent of our GNP by 1985 and to do our utmost to achieve the international target of 0.7 per cent by 1990.

As some members well know, I take particular interest in promoting consultations with NGOs, church leaders and business representatives, and I have been impressed by their strong moral and intellectual commitment to the over-all Canadian effort in favour of Third World development. I would like to pay tribute to the impressive work that is carried out by NGOs and the church groups in Latin America, and I would like to repeat the strong commitment of this government to continue supporting financially the initiatives taken by private citizens in this country.

I want just to mention a serious issue with a human face which is having an adverse impact on the economic and social development prospects of many developing countries. I refer to the international refugee situation, the dimensions of which are expanding at an alarming rate.

There are now some 10 million refugees in different parts of the world and many more millions of internally displaced persons. The situation in Africa, which has witnessed a quintu-

pling of its refugee population in the past few years, is of particular concern and led to the convening of the conference in Geneva in April, in which I participated, on the subject of international assistance to refugees in Africa. At that conference Canada pledged, in this year alone, a $22 million contribution towards the longer term requirements of $1 billion to assist in humanitarian relief, and local reinstallation and possibly eventual repatriation of the five million refugees in question.

● (1620)

There are also major unresolved refugee situations in Central Asia, in Southeast Asia and in Latin America. These situations, apart from the grave humanitarian problems for the refugees involved, impose economic, social and political burdens on the countries providing asylum which tend to undermine the stability of the countries and regions affected. It is for this reason that Canada, while contributing in a major way to the humanitarian relief effort, has led the international efforts at the United Nations General Assembly, the UN High Commission for Refugees, the UN Commission on Human Rights, and within the economic summits to address the fundamental political and human rights problems which underlie most of the situations of massive exodus.

My department has further initiatives under consideration. I want to emphasize in particular my pleasure at the agreement of Prince Sadruddin Aga Khan to serve as special rapporteur of the Commission on Human Rights on the question of the relationship of massive exoduses and human rights abuses. This particular exercise is the result of a Canadian initiative, and during my visit to Geneva in April I assured the Prince of Canada's strongest support for his sensitive mission.

I am pleased that my colleague the Minister of Employment and Immigration (Mr. Axworthy) will be able to participate in this debate today, elaborating on his department's concern over the question of resettlement of refugees from the Latin American region.

I spoke yesterday of the over-all importance to Canada of its trading relationships and the growth of trade with the Third World. Latin America provides a dramatic illustration: in 1979, five of our top 25 trading partners were developing countries in the western hemisphere.

In development assistance terms, in Central America, despite the absence of close political ties, Canada has recognized the pressing needs of the region and has been a leading aid donor, providing more than $60 million in bilateral aid since 1972. In terms of concentration, Honduras and El Salvador, as the poorest of the area, have received the largest portion of the funding.

I should like finally to deal with that illustrative part of the motion which calls on the government "to initiate steps aimed at establishing a negotiated settlement of the tragic civil war in El Salvador".

Canada's links with El Salvador in terms of historic, linguistic, cultural, commercial and other ties, are limited in comparison to those of other countries in the world or, indeed, in the western hemisphere. There are only 40 Canadians resident in that country and immigration has been about 100 per year. Canadian investments total less than $10 million and exports in 1980 were only $15 million. Our major involvement is in the aid field and even here all new planning has had to be halted because of the violence.

Although our direct links with El Salvador have historically not been great, this does not mean that Canada is not concerned at developments in El Salvador, in particular at the high level of violence and the continuing disregard for human rights which characterize the political scene. In dealing with these issues, our policy has been clear and consistent.

Canada's opposition to the supply of arms to competing forces in El Salvador was spelled out in my speech in the House of March 9. Canada's abhorrence of human rights violations has been and continues to be emphasized both in bilateral contacts and in multilateral forums. We also continue to believe that a political solution should be sought for El Salvador.

President Duarte of El Salvador has called elections for a constituent assembly for 1982. He has invited all political parties to register for the elections, including extremist groups willing to lay down their arms. He has indicated a willingness to open a dialogue with the left on the election process and the monitoring of it. He has also made clear that he would not negotiate the formation of a non-elected coalition government and has said that he would not accept mediation offers by third parties, whether from regional states such as Venezuela and Mexico or from the Socialist International, which is committed to aiding the Democratic Revolutionary Front, the FDR.

The leader of the NDP has said that he shares the feeling of the FDR that the elections proposed by the junta would be a travesty of democracy in current circumstances, not a viable political solution to the conflict. This view is not shared by many of Canada's friends in the area, such as Venezuela and Costa Rica.

We agree that the obstacles to holding elections are formidable. After all, El Salvador has no tradition of democratic rule and is beset by violent armed opposition from extremists of both left and right, none of whom has any real interest in seeing the implantation of liberal democracy.

It should also be recognized that there are many within the power structure of El Salvador, particularly in the security forces, who are not happy with the prospect of elections. President Duarte has made great progress in obtaining their agreement to abide by the will of the population as expressed in the elections called for 1982 and 1983. There is no doubt, however, that if the President were forced into negotiating the formation of a non-elected coalition government or some other form of power sharing as advocated by the FDR and the leader of the NDP, he could well be overthrown and the prospects for the institution of true democracy spoiled.

President Duarte's reluctance to be drawn into negotiations with the left is also understandable in the light of information

contained in documents captured in April. The FDR has not denied the authenticity of these documents, which spell out the objectives of the left in negotiations as follows; first, to draw out the conflict, which is going badly for the revolutionary forces; second, to drive a wedge between the Christian Democratic Party of President Duarte and the armed forces; third, to enhance the image of the left as a peacemaker; and fourth, to seek to expose the Christian Democratic Party as a facade for a military controlled government.

However, Canada refuses to dismiss out of hand the feasibility of holding fair elections, as the leader of the NDP does. Elections were possible in Zimbabwe in similarly difficult circumstances. President Duarte is on public record as saying that the OAS would be welcome to monitor them. His words as quoted in the March 6 edition of the *New York Times* are:

> We are going to request from the Organization of American States not only to send us a protocol mission, but to send us contingents from all of the Americas to come and inspect and to really make these free elections.

As I said recently before the Standing Committee on External Affairs and National Defence, if requested, and if we believed we could be of assistance, we would certainly be prepared to consider participating in such a mission.

In our view, Duarte has earned the right to be given a chance to bring about a political solution in the most democratic of manners—through free elections. A founder of the Christian Democratic Party, he has fought all of his life for democracy. Together with the present leader of the FDR, Guillermo Ungo, he waged and won the 1972 election campaign in his country. This victory was blocked by the military and Duarte was jailed, beaten and tortured. Exiled to Venezuela, he was one of the leaders of the opposition movement whose efforts eventually led to the overthrow of President Romero in October, 1979. He returned to his native land only 13 days after the revolution and was appointed to government in March, 1980, becoming president in December, assuming the position he had rightfully won in 1972.

It is ironic that the FDR is pressing Duarte to negotiate with them, presumably to enter into a form of power sharing in advance of the people's support in the election, all in the name of democracy.

It is my belief that many men and women of good will made a tragic miscalculation in late 1979 and early 1980. They thought that the same circumstances prevailed in El Salvador as had prevailed in Nicaragua before the overthrow of Somoza. They gambled that the armed leftist groups would win, ignoring the fact that the repressive regime of General Romero had already been overthrown. These men and women of essentially moderate persuasion, many of whom are represented in the FDR—people who, as the leader of the NDP said earlier, who would be members of all political parties in Canada if they were here—are now stranded with their extremist bedfellows.

• (1630)

The FDR, if it is really interested in seeing democracy introduced into El Salvador and is not just a front for armed Marxist revolutionary groups, has a responsibility to join with the Duarte government to ensure that the elections scheduled to be held in a scant nine months are a success.

The leader of the NDP (Mr. Broadbent) has also, I believe, a responsibility in this regard. Most of his proposed courses of action are based on a negotiated settlement, which is the cause of the revolutionaries. By supporting the revolutionary forces in their desire to share power before the holding of elections, he could contribute to the prolongation of the suffering in that country and thereby impede the political solution which all members in this House support. To use his own words, he adds a veneer of respectability to the rebel position.

Finally, what is our responsibility as the government? It is not to attempt to arrogate to ourselves, from the outside, the right to resolve El Salvador's problems and, even more, the form of their resolution. It is rather to be modest enough to allow the people of El Salvador to decide their own future through the processes of the ballot box. That may not lead to political power for the socialist opposition in El Salvador, to which the Socialist International and their distinguished investigator are committed, but regardless of the falling of political chips, I believe it is the right and certainly it is the democratic course.

El Salvador is a human tragedy. It is ours to express our fellow feeling, to offer aid, to encourage a solution which corresponds to the wishes and needs of the people and to rebuke perpetrators of acts of criminal terrorism. It is not ours to assume the principal role in solving the crisis. That way would lie another tragedy, our own. Third World governments are not prepared to admit without qualification that their tragedies are ours. Modesty, patience and a sense of our own limitations are sometimes the most difficult virtues to practise, but I commend them to the leader of the NDP and to my colleagues. Genuine independence for the Third World has to mean independence even from us. Our own independence is too precious for us to do violence to that of others. This is the course of action we intend to continue to urge upon all governments.

Mr. Walter McLean (Waterloo): Mr. Speaker, I wish first of all to indicate my appreciation of the official opposition to the Leader of the NDP (Mr. Broadbent) for his comments and his sensitive observations about the situation in Latin America, and more particularly in El Salvador.

I wish as an introductory comment to a House and a nation which have become almost desensitized by the overkill that it is held across this country and across party lines to be one of the great tragedies of our time that with all of our resources and with all of our capacity in our world for communication we cannot bring the instruments we have for understanding and communicating into the forum where there are resources to bring this travesty, this great illustration of man's inhumanity to man, to an end.

We could debate whether or not this is our moral responsibility, or whether we let a cock fight go on or two people in a corner fight it out to the bitter end; but in other areas where

we would deal with animals we would not in the Canadian tradition follow in that way.

I hear, unhappily, the Secretary of State for External Affairs (Mr. MacGuigan) suggesting that somehow these nations are independent in name, yet we cannot see the trappings with our eyes, or at least they are not apparent to the forums of our world. Let us not think this is just what Canadians think, but for a moment let us turn to see what the United Nations, the OAS and other forums in Europe are saying. Let us cross the frontiers of parties and find a way whereby Canada can be part of a coalition to bring this great human tragedy to an end.

I want for a moment to address the three concerns which today's opposition motion brings before this House. First, the motion expresses a concern regarding Canada's international relations. Secondly, it calls for a meaningful interest to be taken on the part of Canada in South and Central America, and thirdly, it calls for Canada to take steps toward a negotiated settlement of the civil war in El Salvador.

In relation to our concern for international relations, this was discussed at some length yesterday in the House. Let me suggest that already in our debate today we are seeing the lack of a foreign policy in terms of directions and initiatives as to how we will approach this changing world and this changing hemisphere of ours. We are also in great need of clarifying our relationships with our closest and greatest ally and friend, the United States. I am one who believes that good fences make good neighbours.

At the Progressive Conservative policy conference held some months ago, this resolution was a part of seeking to outline that term of reference:

> The Progressive Conservative party believes in the importance and the necessity of maintaining the historic friendship and mutually beneficial economic and defence relations between Canada and the United States, always recognizing the need for Canada to guard its national identity and political, economical and cultural independence.

Over the past weekend we have seen our Mexican neighbours spell out their agreements with the United States but reject the isolationist policy of the United States in Central America. Let me also make one other observation in terms of our concern for international relations; it is a concern about the future of our peacekeeping capacity which may seem only peripherally to bear on the subject at hand today. We are in need in our world of collective security, and yesterday's discussion focused on collective security. We need in the East-West relationship for Canada to be a part of those collective security arrangements and to contribute to them.

I want to suggest that there is a sense of security which is involved not just in Cyprus between Greeks and Turks, or in the Middle East, but a type of collective security which is involved in our capacity to be a peacemaker in the areas of ferment in our world. We need a refocussing of our foreign policy, for what we have today is far too broad for the changing world about which we speak. We need to see ourselves as part of the formation of a world police force to begin to deal with terrorism in all of its forms, whether it be the violence we see in El Salvador, the violence we see in Europe or violence wherever it is taking place.

Secondly, the motion today calls for a meaningful interest to be taken by Canada in South and Central America. Yesterday we heard the Prime Minister (Mr. Trudeau) speak of his government's belief in peace, in development, in a new era of equality among nations. But in answer to the specifics of Central America, whether it be Guatemala, Nicaragua or El Salvador, we heard an uncertain sound; if the trumpet shall make an uncertain sound, it is written.

● (1640)

Unfortunately, this is what we have heard as the government has sought to spell that out. When questioned about El Salvador and the areas of Central America, the Secretary of State for External Affairs has responded: "It is an area in which we have no special interest". When pressed further, he has said: "We have no traditional Canadian involvement in that sphere". Yet we have been prepared to go as peacekeepers, which is part of our Canadian heritage, to the ends of the world to be a part of peacekeeping efforts and to be in parts of Africa, or wherever called, to supervise and to help bring about elections or whatever.

Yesterday in his intervention the minister spoke of our policy of having mechanisms and arrangements for the peaceful settlement of disputes. Rather, we have seen a bankrupt Canadian policy regarding Central and South America in the face of the disruptions and the tragedies of Central America. When questioned on the specifics, the Prime Minister says: "Why, of course if one side has arms, we will send arms to the other side". How can the Canadian government say that elections are possible if we have no knowledge and if we show so little sensitivity?

Maybe in this new day, of which the Prime Minister spoke yesterday and of which the minister speaks in terms of the evolution of our world, the time has come for us to take the symbolic action of joining the Organization of American States, no longer as an associate member somehow standing on the side saying: "This is something we can nod at when we choose to". If this is a new day, let us begin to build new working relationships. Let us also begin to realize that stability involves literacy, land use and all of the moderate reform which has been referred to already in this debate. If we do not have stability in that area, how can we hope to have effective economic relationships and to trade in the way we hope to trade in the future? If Central America continues to be up in flames, the prospect for our economic, cultural and immigration contacts seems very dim and only possible under emergency situations all the time.

The third part of this resolution suggests that Canada should take steps toward a negotiated settlement in El Salvador. In the March 9 debate in this House the official opposition, through the hon. member for Kingston and the Islands (Miss MacDonald), put forward the proposition that Canada undertake extensive consultations with El Salvador's neighbouring states. We continue to press for that. In its recommen-

dations today the New Democratic Party joins with us—and we join with it—in calling for that type of consultation.

Second, there should be international action through the United Nations or other appropriate international agencies. If we cannot understand El Salvador—the question comes quite clearly into focus—how will we understand the complexities of the North-South dialogue, about which we have been talking so much and of which El Salvador becomes a case in point?

Let us think about that case in point for a moment. El Salvador has a population of 4.5 million to 5 million. That population is getting smaller each day, as the leader of the New Democratic Party has so graphically and brutally described. There are 207 people per square kilometre living on the land. The gross domestic product of the El Salvadorean economy is $3 billion U.S. a year, or $679 per capita per year. With respect to health care, there are 603 persons for each hospital bed and about 3,685 persons per doctor.

When we begin to look at the capacity for stability, we must realize that 3.6 per cent of the gross national product is spent on education. Only 65 per cent of those eligible make grade one. There is an illiteracy rate of 35 per cent. This means that less than one third of the population is economically active. The export ratio is marginally above imports. Food production has lagged far behind industrial productivity over the last ten years. This is the legacy of El Salvador. This is the background of stability into which we hope to integrate our lives as part of this global community.

We hear and agree with the rhetoric of the Prime Minister, but we find ourselves strangely uneasy because over these many years of Liberal government we have heard the same tune, but we have seen contributions to the ODA drop. We have seen opportunities lost again and again. The ball has been dropped when Canada could have continued the Pearsonian tradition of involvement and leadership.

We hear rhetoric from the government benches about the possibility for elections in today's world, but we are hearing from people who have a lack of sensitivity about legitimate struggle. As one who has lived through a period of civil war inside a country such as El Salvador, I know how little freedom there is, how little opportunity there is to speak and what great risk is involved in speaking, let alone standing for office or voting. If there are democratic elections, are there to be corpses voting?

When we begin to look at proposals and at what might be done, let us suggest that the government take strong initiatives to inform itself and to inform hon. members on all sides of the House. We are indebted to the leader of the New Democratic Party for his risk-taking. We are grateful for his interpretation. But because of party backgrounds there will be those who will be suspicious of the comments of the leader of the New Democratic Party. They may feel that the press has not been accurate or that the church has not been accurate. Why do we not send from this House those who will go and enter into discussion? Why do we not take the skeptics along with those who are already convinced?

Some hon. Members: Hear, hear!

Mr. McLean: I hope to propose that the subcommittee on Canada's relations with Latin America and the Caribbean, which is now at work, travels, even if it be in neighbouring countries, and begins to have the same conversations as the leader of the New Democratic Party has had, as churchmen have had, and as representatives of voluntary agencies have had, and then comes back and reports to us.

In case there are those who feel that this cannot be done because of security, about which we hear often from the government, let me inform this House that there will be a delegation from all parties of the Parliament of Europe—Social Democrats, Christian Democrats and all parties of the right and left in that House—which will travel to El Salvador, to Mexico City and to Costa Rica in order themselves, as a parliamentary committee, to hear people there. They will travel from June 22 to July 3.

Second, let us explore with Mexico, Europe and, by all means, with the United States—in the context of the minister's comment about the government's considering the invitation—taking part in working with these groups to find suitable joint action.

Third, in order to be helpful in El Salvador we need to affirm—and we need to hear clearly from the government—that El Salvador, Central America and Latin America are a part of the Canadian sphere of interest, that anywhere in the world where human rights are violated is an area of the Canadian sphere of influence.

Some hon. Members: Hear, hear!

Mr. McLean: Let me touch on a matter which the Secretary of State for External Affairs mentioned. I refer to the matter of refugees. In *Newsweek* of June 15 there is a report on our world's newest refugees. The report reads in part as follows:

> Perhaps 2,000 a week pull up stakes, according to social workers in the capital city of San Salvador, many heading north immediately on the bone-jarring bus journey through Guatemala and Mexico to the U.S. border. No one knows how many have made it, but estimates start at 60,000.

● (1650)

The article concludes:

> —the flow of illegal aliens from El Salvador is certain to continue until peace comes to that war-weary country.

Canada has a proud tradition, one in which this party when in government gave leadership, and others on all sides of this House have supported. When the Southeast Asian refugees were here we had an experience of learning what hurt there was and what needs there are, not only of welcoming but also of beginning to go and look at the root causes towards which we need to address more thought and effort. Is it not time that Canada, in the United Nations forum, began to take an active role in calling for the overhaul of the U.N. covenant on refugees in order that there can be an effective framework, not one of the 1950s but one of the 1980s, in terms of dealing with these most unfortunate people caught in large part in wars about which they know little?

It is our hope, Mr. Speaker, in the official opposition that the concerns expressed from this side of the House today about the importance of the mediation, the importance of making noises that Latin and Central America can hear, the importance of seeking out other mediators to join with us in Canada, about encouraging the instruments of the United Nations to be effective, about the multilateral consortium or about joining with our friends in providing aid to those who suffer most, will be listened to. Let us not wait until the situation is ripe; let us have our volunteer agencies, the Red Cross and others, take the food and medicines at this time until such time as we can find the answers. Let us also invite our closest friends, the Americans, to come and reason with us and others in the family of nations in order to continue that proud tradition, that of the peacemakers.

Thank you very much, Mr. Speaker, for the opportunity to participate in this debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans affairs—Suggested adoption of new index and provision of energy supplement; the hon. member for Athabasca (Mr. Shields)—Energy—Possibility of reaching agreement with Alberta; the hon. member for Pembina (Mr. Elzinga)—Energy—Negotiations with province of Alberta on pricing agreement.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—INTERNATIONAL RELATIONS

The House resumed consideration of the motion of Mr. Broadbent:

That this House expresses its continuing concern with respect to Canada's international relations and calls on the government to demonstrate a meaningful interest in South and Central America and, in particular, to initiate steps aimed at establishing a negotiated settlement of the tragic civil war in El Salvador.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, like the member who just spoke, I consider it a privilege to be able to participate in this very important debate. It is a warming feeling to know that in this forum there are those occasions when members on all sides have the opportunity to address themselves to issues which are not part of the drumbeat of daily affairs, but in fact have a longer and deeper set of roots to them, one in which our own country can play a very important role.

I am particularly pleased, Mr. Speaker, that several of the members who have spoken have mentioned the issue of refugees around the world as an area in which Canadians can play a significant role. There is no doubt in my mind that refugee policy constitutes an area in which this country is in a unique and very favourable position to offer leadership.

The issue of refugees is not a new one to us, Mr. Speaker. I was reminded of that while reading the very interesting report produced by the Mennonite Central Committee called "Making Room for Strangers". They open with a word from St. Luke, chapter 9, verses 57 and 59, which says that as they were going along a road a man said to Jesus: "I will follow you wherever you go". Jesus said to him:

—Foxes have holes, and birds of the air have nests; but the Son of man hath not where to lay his head.

It is clear, Mr. Speaker, that the issue of a displaced person goes back many generations, many centuries, but in terms of our recent memory we have had a particularly interesting history as a country. We have accepted well over 400,000 refugees since the end of the Second World War, and a major movement of displaced persons in the early period of close to 135,000. We had very large numbers of people who escaped the difficulties in Czechoslovakia, Uganda and Hungary. We brought in large numbers of people from Chile, and contrary to the opinion that some groups have about the interest of this country in South America, we were one of the largest sponsoring countries for Chilean refugees, bringing in close to 7,000 in the period 1975 to 1976.

The fact of the matter is, Mr. Speaker, the issue of refugees, much as we make an effort to solve it and bring more and more people in, grows beyond our bounds. Every single hour of every single day there are far more refugees being created than this country and every other industrialized country could ever hope to resettle. Current estimates suggest that the numbers of refugees in the world are somewhere between 12 million and 15 million. As other members, including the Secretary of State for External Affairs (Mr. MacGuigan), have pointed out, every time there is a major insurrection or political dispute in the world thousands more are left homeless.

What is even more tragic, Mr. Speaker, is that increasingly there are signs that refugees are becoming a political weapon. Certain countries almost deliberately export some of their problems, create problems by the expulsion of people. All of a sudden the world is faced with the tragic sight of boats bobbing and weaving on a hostile sea, people flinging themselves overboard for lack of room. Whether it is Southeast Asia or off the coast of Cuba or Haiti, the fact of the matter is the number of refugees grows apace.

There is no doubt in my mind, as one who has the responsibility of trying to deal with the issue of refugees and how to cope with them domestically, that many of the answers and many of the programs and policies we have in place have not been adequate. Yet we should be careful not to destroy what is in place by outright condemnation. We do have the United Nations High Commission on Refugees which this year has a budget of close to $500 million, with close to 1,700 personnel in its operation, which commission is strongly supported by Canada. We are one of the major contributors to that commission and we support its work and activities. They provide worldwide services, whether in El Salvador, Nicaragua, Somalia, Eritrea, the Horn of Africa or Southeast Asia.

The commission is there to provide a basic service, but what is oftentimes missing is the political answer to some of the root causes of the refugee issue. It is not a problem that can be solved by one country alone. We make a serious mistake to think that by climbing on the barricades and beating our breasts we will solve the problem of the refugees. It must be solved in co-operation and co-ordination with other like minded countries. It must be solved as part of the North-South dialogue. It must be a solution jointly arrived at by all countries, rich and poor alike, because it is a problem we share equally. No one is immune from dealing with the problem of refugees around the world.

However, I believe that we do have a particular role to play because of our traditions and our recent history. We have a country which has developed a reputation, going back to the Second World War, for having a strong humanitarian and compassionate feeling for those who are displaced and homeless. This reputation has stood us in good stead. It is a base upon which we can build a reputable set of initiatives for others to follow. I believe this policy has been supported by all political parties and by all groups. It is not a partisan issue; it is not one in which one should make political points. We all agree upon the necessity of the country developing political moves and initiatives to bring together the different countries of the world as part of the dialogue concerning the changing conditions of refugees around the world.

• (1700)

We have attempted within our country not only to go beyond the question of simple intake, but to try to demonstrate to other countries that we can develop a fairly rational and comprehensive plan dealing with refugees. Now we have an annual refugee program which we table in Parliament, and hon. members should recognize that it has become a worldwide refugee program. It is not simply a reactive program; it is not simply set up to react to crises. We have set target levels for Southeast Asia, Africa, eastern Europe and Latin America.

It is important for hon. members who have asked what we are doing in Central and Latin America to realize that under our refugee program last year we doubled the target. We have now set as a level close to 1,000 refugees coming from that area. Furthermore, we have adopted a number of initiatives within Central and South America in the last year to demonstrate our commitment. We offered to take in 300 Cuban refugees, even though our country was not an area to which they were particularly anxious to come because of the lack of strong contacts and roots. We have developed a major program for the resettlement of Haitian refugees this fall in co-operation with the Quebec government. Recently we adopted special measures to deal with Salvadoreans. These measures go substantially beyond those of most other countries.

I want to point out to hon. members that our decision on the Salvadorean refugee situation was made in very close consultation with the United Nations. The first priority of the United Nations is the necessity to provide for settlement within the immediate problem area. The advice we received from the United Nations was that until the problem clarified, until there was some sense of a political arrangement for settlement, it was not encouraging large-scale resettlement into host countries. Even with that measure we were prepared to relax the requirements for Salvadoreans who were in Canada, who had relatives here, or who were being displaced from other countries and had nowhere to go. We offered them asylum in Canada.

It is not fair for certain members to suggest that we have been blind and irresponsible in the area of Central America when it comes to refugees. We have been taking initiatives as they should be taken, in constant co-operation with the United Nations and with other countries. It is that basic principle upon which we should develop new initiatives in the international arena.

One problem which all countries will have to face is the issue of the definition of "refugee". The old definition of someone who is escaping for fear of political persecution no longer applies to the vast thousands of refugees who escaped from Cuba. In many cases they are escaping from countries where poverty is of a severe and tragic proportion. Are they refugees, or are they simply people who are driven by an enormous desire to escape from want and use the refugee route as a way to get around normal immigration practices? It is clear that we must establish different definitions and rules to apply to the definition of "refugee" in the world today.

The Secretary of State for External Affairs has begun such discussions. Certainly we will have an opportunity within the next year during the North-South dialogues, summit meetings and Commonwealth meetings, to use further our influence with other countries such as the United States, Australia and West Germany which provide the other major areas of host support and resettlement so that they will engage in a discussion about the general issue of refugee problems.

We have another important opportunity as Canadians. Not only do we have the opportunity to build upon our past reputation, but we can build upon the immediate experience which came our way as a consequence of one of the most fascinating and rewarding experiences through which the country has gone; that is, the large movement of Southeast Asian refugees. Approximately 60,000 people coming in over 18 months is a large swallow. It takes extraordinary efforts at

resettlement to ensure that they have proper opportunities for work, homes and education.

One of the most important developments arising out of our major commitment was the tremendous involvement of private sponsors. Under the changes to the Immigration Act of 1978, we now have the power to join in partnership with a wide variety of voluntary groups, church groups and ethnic organizations, so that they can provide sponsorship, resources and support for the settlement of refugees in this country. It is satisfying to see the tremendous response to those groups throughout Canada. There were close to 7,000 sponsors for Southeast Asian refugees alone. Many ethnic groups are now undertaking sponsorship for eastern European refugees.

I have indicated to various organizations that I am prepared to sign agreements similar to the ones I have already signed with the Polish congress and the Czechoslovakian association. We are prepared to sign agreements with them so that they can bring in refugees under sponsorship agreements. The same offer to provide such resources applies to any group that wants to bring in refugees from Central or South America.

In almost the last 2.5 years we have built up a very strong and forward-thinking constituency of Canadians who are active and interested in the problems and plight of refugees. Now we are asking the questions: what do we do next; where do we go from here? Perhaps the most important refugee priority to mention would be to engage our interest and resources in developing programs in refugee camps around the world. We should draw upon the inspiration and the commitment of church organizations and voluntary organizations to bring their resources to bear upon the huge refugee camps in Africa and Central America.

When I met with the Somalian ambassador a few months ago, we talked about the refugee issue. He said that there were close to one million refugees in camps in Somalia alone. Somalia is one of the poorest countries in the world and it has to bear the full cost of almost a million refugees. He said that they needed people who could provide medical and agricultural services as well as technical assistance.

This is a tremendous opportunity for Canadians to find a new cause. Those many thousands of Canadians who have committed themselves to the resettlement of refugees at home now have a tremendous opportunity abroad. It is certainly my ambition—and I know it is shared by my colleagues—to begin providing such support and assistance for the outward reach of Canadians to deal with the refugee problem where it is most serious and most drastic; that is, the vast number of camps in various regions around the globe.

We have taken a major step toward restructuring the Canadian Foundation on Refugees to enable it to begin providing support for the co-ordination of technical assistance in the development of an international aspect of Canadian involvement in the refugee problem. We have met with a number of refugee organizations. For example, I met with perhaps one of the most prominent and effective groups, the Mennonite Central Committee, about two weeks ago.

Mr. Friesen: What was the name of that group?

Mr. Axworthy: They are a group which deserve full recognition.

• (1710)

As for the question about what we do next, the answer given to them was, "Let us begin to broaden the base". We have said to them, "Let us use the resources and the money that you can collect and the commitment of those who want to work abroad to begin working in the camps abroad". In a sense, we have a chance to set a different model, a different example in the area of refugee policy. Mr. Speaker, I can tell you that is something we intend to do. It is a commitment we are making to provide leadership in the outward reach of refugee programs and policies and to give Canadians the opportunity to become engaged, not in a passive way by reading about the tragedies in newspapers or by watching them on television, but by active involvement in a direct way with a vast problem which is growing by leaps and bounds.

I would say, in particular, that we recognize increasingly the importance of the issues as they appear in South America and Latin America. That is why we have taken a number of steps to begin developing approaches to the settlement of refugees from that area. We have indicated to the United Nations that we are prepared to accept Salvadorean refugees who cannot find homes elsewhere.

We are taking measures to strengthen our embassy connections, as the Secretary of State has said. We have taken measures to strengthen our reporting missions and our ability to organize and develop political control and contact. In effect, we are really talking about a two-pronged approach with regard to dealing with refugee aid and settlement. It is important to state that none of these initiatives is possible or probable unless we have an underlying consensus and agreement that we are prepared to do something in these areas.

I commend the New Democratic Party for giving up one of their opposition days in order to allow the government to continue this debate. It is only unfortunate that others did not have the same sort of zeal and commitment. There is a broad base of support in this area. We will be able to develop a better understanding among Canadians of these issues. It is necessary for us to go beyond our view and perception that refugees come as a result of a crisis. We must begin to develop an approach to the refugee issue which is consistent, cohesive and long term.

Refugees will be around for a long time and the problems associated with them will not be subject to easy solutions or panaceas. The problems are not subject to grandstanding or rhetorical flourishes. This situation requires a painstaking effort and an allocation of resources. As we well know, any foreign policy initiative will not succeed unless it receives a basis of support from the people.

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. minister but his allotted time has expired.

Mr. Girve Fretz (Erie): Mr. Speaker, it is a pleasure for me to participate in this debate today. I also want to say it was a privilege for me to serve on the North-South Parliamentary Task Force, to be involved in the hearings and to listen to the many fine presentations which were made to the task force. I wish to pay tribute to the hon. member for Edmonton South (Mr. Roche), who is not in the House at the present time. He has made many contributions in this House and, indeed, across the country with regard to Canada's role in aid and development, and to the entire theme of external affairs.

Some hon. Members: Hear, hear!

Mr. Fretz: One of the most important things which impressed me was the role of the non-government organizations. The task force heard many people from these organizations. They play a very important role in projecting Canada to the many parts of the world. The self-sacrificing manner in which they work is to be commended. I am impressed by the non-government organizations in our country.

Along with four other members of the task force I was privileged to visit some countries in Asia in February. I was able to view first hand some of the work involved in aid and development, for we had the privilege of visiting the Philippines, Bangladesh and Singapore. I saw the development and aid projects which are taking place in these countries. We were able to talk with Canadians and to see the kind of work they were doing. The enthusiasm generated among them was self-evident. I returned from the trip being supremely proud that I am Canadian and proud of the work that Canada is doing overseas.

One of the recommendations our task force made was that there should be greater parliamentary input into the North-South debate. I am pleased to have the opportunity to do that today. There must also be input from members of Parliament. Members of Parliament must have the opportunity to travel, to see first hand the projects in which Canada is involved. We need to be able to question the people who are there in order to find out what is happening.

I believe that there is a grave danger that the party to my left, the New Democratic Party, and other socialist parties and their leaders, will try to turn legitimate problems regarding relations among nations into an instrument for promoting international socialism. That frightens me because I believe there is a danger of distorting the real needs of people in the world into the cause of world socialism. If the North-South dialogue is subverted into a tool of international socialism, an instrument to wage peace—another form of warfare—then this will only contribute to the conflict among the superpowers rather than assist the poor people of the world.

The NDP motion which is before us today was moved soon after the leader of that party returned from a mission abroad—perhaps it was "Mission Impossible". The critics and the cynics say that he went because of his unpopular support of the Prime Minister's constitutional proposals. They say he went because of his need to regain his popularity and his prestige as party leader, not only among his caucus but among members of his party as a whole. Rather, he went abroad, or perhaps amiss, as the vice-president of Socialist International.

The hon. member for Oshawa (Mr. Broadbent) met for more than four hours with President Castro, one of the Prime Minister's pals. But it was a secret meeting and reporters were forced to stay in a hotel. The Ottawa *Citizen* reported that the NDP leader obtained astonishing insight into the communist leader. *The Globe and Mail* reported that he said secret meetings were extremely important and extremely useful. In the name of freedom of information, let the leader of the New Democratic Party, who was in the House earlier to report to Parliament about his trip, tell us what took place with Mr. Castro. What offers did Castro make toward him? Did he invite Castro to participate in the economic development of the Caribbean and Latin America? We also know that the Prime Minister (Mr. Trudeau) never reports in this House about the trips he makes either.

Complexity makes understanding all the ramifications surrounding the so-called North-South dialogue almost impossible because such an immense topic covers subject matters such as the recycling of the OPEC surplus, the proposed changes in the gearing ratio of the World Bank and the allocation of special drawing rights. It is perhaps not surprising, therefore, that too often the whole question of the North-South dialogue is boiled down to a simple controversy over foreign aid. In these difficult economic times, when so many western nations are faced with double digit inflation and high unemployment, foreign aid is viewed with disfavour and increased foreign aid is viewed with extreme distaste.

• (1720)

In perspective, though, it can be easily seen that the target for foreign aid recommended by the North-South task force, of which I was a member, is not excessive. We argued that official development assistance should rise to .7 per cent of gross national product by 1990. When one discovers that federal support for the arts in Canada, a worthwhile venture in itself, amounts to 2 per cent of gross national product, the amount budgeted for official development assistance is seen to be quite reasonable, especially when such moneys are targetted to providing the following: clean water, health services and education. These three are simple necessities to the hundreds of millions in the Third World who are bereft of what we in Canada view as our inalienable right. However, although the contribution of foreign aid to the alleviation of human suffering should not be minimized, it is but a small part of the solution to North-South relations.

Another part of the solution is provided by the many individual Canadians who have been moved by humanitarian concerns to share generously with those less fortunate. This caring is represented not only by financial contributions but by contributions of time, energy and experience. These Canadians are members of the over 200 independent non-governmental organizations known as NGOs involved in assisting development in the Third World. The organizations range from small, effective groups such as Match International, which involves

itself at the very basic level in teaching women in the south how to raise rabbits, to the Mennonite Central Committee, where years of expertise in farming are shared with newly-landed peasants, to CUSO whose members teach the illiterate to read.

Non-governmental organizations are enjoying wide financial support from the community at large, even to the point where private contributions are increasing in spite of the shrinking of the economic pie. In 1978-1979, NGOs raised over $63 million for projects in the Third World.

In light of these facts, the task force recommended that the government direct an increased share of ODA to support the activities of NGO. Additionally, the bilateral programs branch of CIDA should assign some of the funds it expects to spend on agriculture, health and rural development to small projects which would be operated by Canadian NGOs.

The North-South dialogue is further confused by calls for a new international economic order. Paramount in my mind are the attitudes that would be reflected in being party to such a fundamental change in the economic affairs of the world. I firmly believe that human rights, free will and the sovereignty of nations must not be placed in jeopardy in any move toward change. These nations which are blessed by already having such benefits should neither give them up nor avoid the responsibility of seeing that less privileged nations are assisted.

I also strongly believe that the developed countries should not redistribute wealth but should apply development programs in such a way that the less developed countries become able to create their own wealth.

I do not think that it is beneficial or desirable to foster dependency in recipient nations. We should as a nation undoubtedly concern ourselves with the less fortunate, but with an eye on the long view. Our main goal, I believe, should be to get the less developed countries to stand on their own, independent and self-sufficient. That goal may take some time to be realized, but it should always be our final target. It has been my observation that collectivism and socialism rob people of their initiative.

We need to ask ourselves, why is Canada not an underdeveloped country? The party to the left needs to ask the question, why are we not an underdeveloped country? It is because of our economy and through the free enterprise system which has allowed us to grow and prosper, even though it is now threatened by the present government. Our system has further allowed us to be in the position where we can share our bounty with others. I personally feel a strong responsibility to see that other nations are allowed to learn and benefit from the free enterprise system, as Canada and other western nations have.

In a number of important ways the situation of Canada is analogous to nations in the south. They, like us, were once colonies; they, like us, have an economy which is largely predicated upon the export of primary commodities and the import of finished goods; they, like us, are not major world powers and therefore have a stake in co-operation and working together without recourse to power.

All these similarities have conspired to put Canada in a position of trust in the eyes of the Third World. We are looked upon as a nation which can act as a bridge between the concerns of the South and the concerns of the North.

The bridge-building role which the parliamentary task force envisioned for Canada uses to advantage this position of trust, for not only does Canada have much in common with the South, but we are undoubtedly a member of the nations of the North. Canada is therefore uniquely situated to act as an arbiter, a go-between to aid in more meaningful dialogue between the North and South.

The Prime Minister's attitude to this crucial topic has trivialized it. He has not bothered adequately to explain to the Canadian citizen his concerns, his goals and his methods of achieving those goals. The Prime Minister should realize, Mr. Speaker, that he has a major problem with credibility out there in Canada, and oftentimes the mere fact that he says he is in favour of something is enough to turn people off. The people of Canada have been presented with the spectacle of the Prime Minister flitting around the world, bemoaning the lack of avocados and hobnobbing with world leaders. Granted these were the leaders of Third World countries; but for all we know the Prime Minister could have been talking to them about the new hem lengths in Paris, for he has not seen fit to take the people of Canada into his confidence. We are asked blindly to trust him when he assures us that the problems of North-South are of primary importance to him.

The members of the task force were convinced that North-South relations were critically important, but there are those of us who seriously question the Prime Minister's commitment. His actions, however, will determine whether that opinion is positive or negative, and I am deeply concerned that there will be negative public perception.

Mr. Speaker, in the course of our hearings, members were surprised to learn that Canada is involved in 89 countries, although 79 per cent of that involvement was in 27 countries. This massive but necessarily superficial involvement led us to question the effectiveness of our programs, as our Canadian personnel are spread extremely thin. We found that there are less than 100 CIDA personnel in the field, while in Ottawa CIDA is top heavy with about 1,000 employees. This can easily be seen to be an unsatisfactory situation.

The decision-making process is centred in Ottawa, far from the realities of the field, and is ponderously slow to respond to changes in field conditions. CIDA personnel in the Third World are hard-working and dedicated, I am sure of that, but they surely could do a better job with more support there and fewer officials at headquarters in Ottawa.

The task force therefore recommended that the government seek to reduce the number of countries in which it has aid programs. Further, it was recommended that the government strengthen the administration of its development assistance programs in the field.

Another area which the task force studied quite intensively dealt with the subject of food aid. The role of emergency food aid in disasters is one that is not questioned. It is the ongoing role played by food aid that is controversial. However, it should be pointed out that not all countries in the South are dependent on food aid. In fact, there has been some remarkable progress. For example, India suffered a major drought ten years ago. The response in food aid from other nations was immediate and massive, but thousands of Indians starved to death. Two years ago India underwent another severe drought, but because of gains made in agriculture production, India was self-sufficient and able to feed its people from grain grown and stockpiled in India.

• (1730)

The Indian government is joined by the government of Bangladesh in its determination to make food production one of its highest priorities. So it can be seen that self-sufficiency in agricultural production is an attainable goal. It is also the case that people can starve to death, not through lack of food but through lack of money to buy food. We urge that aid be given to the poorest of the poor, to avoid this type of situation arising.

We found in our discussions that food aid had often exacerbated problems faced by newly emerging nations. A dependence on food aid was fostered, sometimes upsetting market balances to the detriment of domestic production, which robs people of their initiative and self-esteem. We determined therefore that food aid from Canada should be used only as a transitional measure to fill the gap which exists between a country's food needs and its food production.

Food aid should be part of a detailed and well integrated food production plan in which food aid would gradually decline and assistance for food production increase.

I feel that this subject is too important to be left to civil servants, who are cautious and careful not to put themselves into positions where they can be criticized. This issue of North-South relations needs to be handled with imagination and verve, qualities not called for in the job descriptions of most bureaucrats.

I think it is time for new blood, and that is why I call for an ongoing mandate for members of Parliament to involve themselves in this topic. As members of the task force, we found our travels greatly beneficial in bringing home the realities of the situations faced in the developing countries. We had a first-hand opportunity to observe the Canadian government's involvement in development and were, therefore, able to suggest practical alternatives to present procedures. Travel is a valuable educational tool and members should be allowed to visit countries where Canada is involved in aid or development projects. Members should be allowed not only to view first-hand what Canadians are doing, but to question and to criticize.

May I ask how much time I have left, Mr. Speaker?

The Acting Speaker (Mr. Ethier): One minute.

Mr. Fretz: I shall conclude by saying it is ironic that the Prime Minister supposedly has such a keen interest in world affairs and the North-South issue when he is unable to resolve the Canadian east-west problem. Apparently he delights in paying world prices for oil to Mexico, OPEC or Venezuela rather than paying 75 per cent of that price to Canadians.

I say it is ironic because he appears to want to solve world problems but cannot successfully deal with domestic problems. There is no doubt that there are real needs in the world. We as Canadians can be proud of our efforts, but more Canadians would be willing to rally behind the Prime Minister for this cause if he showed more sympathy, more concern and more understanding regarding our own problems.

• (1740)

[*Translation*]

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, before speaking to the motion moved by the New Democratic Party, I would like to draw the attention of hon. members to the fact that our friends in the official opposition have refused to give up to the House one of their allotted days. I suspect that decision will sadden the thoughtful Progressive Conservatives, and I know some among my friends across the floor who do not suffer from tunnel vision, who are greatly interested in international political issues, and who will be all the more upset because in the past their party made a significant contribution in the definition and the preparation of Canada's foreign policy.

It is unfortunate that they were unable to set aside their purely partisan considerations, if only for one day. This being the second day of the first debate on foreign policy held in the House in many years, it is disappointing to see that the New Democratic Party have deliberately chosen to ignore certain issues which are crucial at this time, such as the North-South dialogue which was so aptly set in its proper perspective yesterday by the Prime Minister (Mr. Trudeau) and by the Secretary of State for External Affairs (Mr. MacGuigan). Similarly, they have chosen to ignore other important questions, including disarmament, nuclear non-proliferation, the law of the sea, as well as the situation in Africa and in the Middle East, simply to enable their leader to rehash the same arguments we have already heard in the debate of March 9 last on El Salvador. According to the motion moved by the New Democratic Party, Mr. Speaker, this House ought to express the continuing concern which hon. members feel over Canada's international relations. It is rather strange that the New Democratic Party should want to concentrate on only one question which, as I just said, was debated at length hardly three months ago, and that they should decide to remain silent on other issues which are even more important to Canada and world peace.

The Secretary of State for External Affairs has just reiterated the policy of the government on El Salvador. As he pointed out, that is a region where traditionally Canada has not been

very active. In fact, before the Nicaraguan revolution in 1979, Canadians generally knew precious little about a region which basically left them rather indifferent. When the revolution broke out in that country, the then secretary of state for external affairs and now the hon. member for Kingston and the Islands (Miss MacDonald) maintained that Canada should not get involved and that she did not expect Canada to take any special measures to straighten out that country's difficult situation. However, the turn of events in Nicaragua, and more recently in El Salvador, led Canadians to show a growing interest in that region of the world, and we all regret the escalating tension and violence which have characterized the situation in that country for several months.

However, pitiable the situation may appear to us, there are limits to what Canada can and should do in El Salvador or Central America. Canada should not do as the frog in La Fontaine's fable which wanted to get bigger than the bull and did finally burst. This does not mean, Mr. Speaker, that we should ignore this region. Indeed, that is certainly not what the Canadian government is doing. In the past, we have established economic development assistance programs for Honduras, Guatemala, Nicaragua and El Salvador. Only a few days ago, the Secretary of State for External Affairs announced that Canada would provide over $4 million worth of wheat to Nicaragua, and we hope that peace will come back to El Salvador so that we may, in co-operation with other countries, help in the economic development of this country which is now rent asunder by savage conflicts which are very costly in terms of human lives.

The hon. member for Oshawa (Mr. Broadbent) has insisted that Canada should take action to allow a negotiated settlement in El Salvador. Mr. Speaker, a negotiated settlement by way of an election is precisely what the government of El Salvador is suggesting. We know that some elements of the conservative forces in that country object to this process, but we are also aware that the socialist forces with whom the hon. member for Oshawa associated lengthily during his recent visit there are also against such a settlement. The government of El Salvador has indicated that it is now willing to have political discussions about the terms of an election to form a constituent assembly in 1982 and a government in 1983. The government of El Salvador has also indicated that it would willingly consider foreign assistance to make it easier to set up the electoral process in acceptable conditions; specifically, the Organization of American States has been mentioned as being able to ensure the holding of an election according to generally accepted democratic standards.

I therefore wonder, Mr. Speaker, whether the hon. member for Oshawa is right in stating bombastically that an election held under international supervision would be a travesty of democracy. The hon. member has also been very critical of the military and economic assistance provided by the United States, contending that this was the equivalent of supporting a military regime. The government of Canada has clearly stated on several occasions that it disapproves of arms deliveries by any side, but we also believe that if revolutionary forces are determined to overthrow a government, it is quite legitimate to help this government, which actually wants to establish a democratic regime, to protect itself.

Mr. Speaker, much has been said about the military assistance provided by the United States to the government of El Salvador. What we should know in this regard is that this military assistance accounts for a mere quarter of the $126 million in economic assistance that the United States does provide to El Salvador in the form of credits and balance of payment assistance to allow this strife-ridden country to import goods to feed its people and equipment to operate its industries. It is strange, Mr. Speaker, that the same people who request international economic assistance for Nicaragua denounce at the same time any economic assistance to El Salvador. Apart from the political hue of their respective governments, is there something exclusive to the Nicaraguan people which warrants it being provided with goods and basic necessities that should be denied to the people of El Salvador? Perhaps the hon. member for Oshawa could explain this point later on. The hon. member also maintains that he can see only three possible options in Central America in the years to come. First, a radical change to a regime of the moderate left with a mixed economy in which both the public and private sectors would participate and which would probably remain neutral in its relations with the United States and non-aligned in its relations with the major political blocks. In fact, this seems to be direction in which the government of President Duarte wants to go. The two other alternatives suggested by the hon. member for Oshawa are a radical marxist-leninist non-democratic state dominated regime, hostile to the United States and aligned with the communist block, or else, as a third option, a very oppressive military oligarchy where social change would be met by violence and all human rights would be held in abeyance in order to maintain the status quo.

On the basis of his recent article in the *Toronto Star* I suppose that the hon. member for Oshawa does not favour that last solution not any more than we do. However, as he does not seem to favour the first solution, which is the direction the Duarte government seems to be taking, we must conclude that he would rather accept the second one. I do not think, Mr. Speaker, that the people of El Salvador would agree to that solution. Mr. Speaker, we have already had a debate on the conditions prevailing in El Salvador and I would like to take this opportunity to make a few comments on the whole economic and social conditions in Central America. My comments of course are aimed at El Salvador, but I think that they are also quite relevant in the context of the North-South dialogue and I am convinced of the imperious necessity of considering critical social and economic problems of emergent

countries in a climate of sympathy, generosity and understanding.

The situation in Central America is a good example of the problem which may arise when the social and economic needs of the people are disregarded. The tensions and terrible disturbances which occurred in Nicaragua two years ago, which are occurring now in El Salvador, and which may occur in Guatemala in the near future are only early signs of what may occur elsewhere in the world if the international community fails to soon take the necessary steps to meet the economic and social needs of developing nations.

I was quite pleased when the Secretary of State for External Affairs started by placing the issue in the larger context of the social and economic situation in Central America, both during the March 9 debate on the situation in El Salvador and today. He was quite right in insisting that Central American countries are in a transition stage between traditional authoritarian regimes, with the people at the top hardly concerned about the needs of their people, and new regimes of a different type little known in that area of the world, where the people at the top are more aware of the needs of modern societies and more eager to meet present challenges.

Unfortunately, these regimes are facing innumerable difficulties. On the one hand, there is the opposition of the old guard as well as of the political and economic interests which stubbornly refuse to accept change or to look to the future, or at least appear unwilling to do so, and which try desperately, sometimes resorting to force or violence, to hang on to their old priorities and privileges. On the other hand, the left and the extreme left in their attempt to exploit the legitimate grievances of the people to promote their own political objectives, seem to hinder the reform process in order to take over and assume power on a wave of popular dissatisfaction. These new regimes are also exposed to outside factors, such as oil and energy prices and their impact on the price of other imported goods as well as the fluctuating prices of their main exports.

Mr. Speaker, in the course of their history, most of the countries of Central America have known long and painful spells of military dictatorship and social shortcomings for which they are now paying dearly. It is in those countries that the highest rates of overpopulation and the greatest instability are found. The lack of health care, illiteracy and malnutrition relegate those countries to the lowest ranks amongst nations, while population growth is perhaps the highest in the world. They are also up against unequal sharing of income, persistent agricultural problems, unemployment, illiteracy, and systems of income distribution that create wide gaps between the rich and the poor, to the extent that people in the lowest income brackets under present circumstances, may never see any improvement in their lot. The unrest born out of those needs is fostering internal pressures for change in Central American countries, as well as the abuses and violence which shock us so.

Mr. Speaker, as I said earlier, Canada has traditionally no close ties with the countries of Central America: as I pointed out, our interests there are rather limited. I am happy that we should have been amongst the first countries to recognize the pressing needs of that part of the world and that we should not have rejected the whole question out of hand under the pretext that we were simply dealing with a demonstration of East and West rivalry. I am also happy that the modest assistance programs implemented in the last few years and our trade relations are increasing.

If, as some Canadians advocate, we should increase our involvement in Central America in terms of aid, trade and other areas, the government will have to invest more financial and human resources to this end. In conclusion, Mr. Speaker, I want to say, as far as El Salvador is concerned, that I hope the voices of reason will prevail in that country torn by conflicts and that militants, both right and left wing, will cease their fighting, kidnappings and slaughter in order that the government of El Salvador can get on with the monumental task of ensuring social reform and securing political democracy.

• (1750)

[*English*]

Mr. Jack Murta (Lisgar): Mr. Speaker, in the few minutes I have before we adjourn for the six o'clock dinner hour, I should like to discuss briefly one particular item and then, after the dinner hour, possibly two others. I want to vary somewhat the context of my remarks from those of most other members who have spoken today. I do not intend to talk about El Salvador to any great extent. I think the Leader of the NDP (Mr. Broadbent) and the hon. member for Waterloo (Mr. McLean) have dealt with that issue adequately.

There are three areas I should like to touch upon. I want to inform the House, and through the House the country, of the work which is nicely under way in a special subcommittee on Canada's relations with Latin America and the Caribbean, a committee of which I am a member. Then I want to touch, also briefly because of the shortage of time, on the whole question of population and whether there is anything we, and I say "we" in the global sense, can do in terms of population. I also want to touch on the question of agriculture in the context of being able to feed the world as it will be between now and the year 2000, a world in which there will be over six billion people, as well as in the context of our relations with the Caribbean nations and Latin America.

The first matter I should like to speak to is the whole question of the recent committee that has been set up to take the first in-depth look at Canada's relationship with Latin America and the Caribbean. The committee has been empowered to look at all aspects of our relationship from immigration to trade, which is certainly the main thrust of our committee's work, and also the question of humanitarianism, and whether Canada as a country can, should, or has the wherewithal—the knowledge and expertise—to mediate, as has been suggested

before in the House of Commons in terms of a situation such as that in El Salvador.

The questions of economic development and economic promotion are of prime concern to the committee which is hearing witnesses and briefs at the present time. As an example of that philosophy, in 1980 we sold more to Brazil than we did to China, we sold more to Venezuela than to Norway and Sweden put together, and more to Argentina than to Spain. Our total exports in 1980 amounted to some $3.7 billion, an increase of 32 per cent over the previous year, and we can expect further increases in 1981. Some 33 per cent of those exports were in the form of processed or manufactured goods, many in high technological areas. So it is not hard to see the economic importance we in Canada attach to various countries of Latin America. This is something which I think the Canadian public generally has a tendency not to realize.

The committee will also endeavour to look at our relationship with Latin America to move us out of what could be considered to be merely a one-sided relationship which consists in effect, of only trade. Trade will have to be supplemented by industrial co-operation and technological exchanges, and there is a greater need to give further attention to the political relations on both global questions and population questions between the two areas.

Economically Canada obviously views Latin America as a substantial market. In 1980 our exports to Mexico, for example, amounted to $482 million which represents an increase of 104 per cent over the previous year. Agricultural commodities are a big part of that, as are processed and manufactured goods. Imports from Mexico increased by some 65 per cent to a total of $344 million and will, of course, keep increasing as the years go on.

Canada has not had a history of a great deal of activity in Central America, but we should be moving steadily to increasing trade and development assistance in that area. There is, of course, in countries in Central America like Nicaragua, El Salvador and Guatemala, a substantial degree of uncertainty because of political turmoil, economic underdevelopment, abuses of human rights and military violence, of which everyone knows and is aware. The committee is also going to be looking at this particular aspect.

The Caribbean area is also going to be viewed with special priority as far as this particular committee is concerned, and certainly it is viewed with special priority as far as Canada is concerned. We are now working actively both bilaterally and multilaterally, to increase economic assistance to the Caribbean countries, and we intend to take a closer look at this particular aspect during our committee hearings. Our aim in Latin America and the Caribbean, as elsewhere, must be to contribute to the improvement of human rights either by private or public means, or both, by increasing trade between the two areas where trade is beneficial to both.

The area of Latin America and the Caribbean has been neglected by Canada for just too long. What the committee will try to do is to enhance the knowledge and interests of Parliament in this area, increase the awareness of Canadians generally as to the benefits of trade between the two areas, and also the awareness of the whole area of human rights about which Canadians do not appear to be overly concerned at this time. For too long there has been a trend on the part of Canadians to look at Latin America and the Caribbean as basically a single area, ignoring the fact that in this particular area there are some 39 independent countries, and dependent colonies and territories where the languages spoken are as diverse as English, French, Spanish, Dutch and Portuguese. We must deal with countries in Latin America and the Caribbean on a more individual basis than we have done up to this point. Some no doubt will be important to us as export markets, others as sources of needed imports; some will be sources of immigration and others destinations for Canadian tourism. Some will be important because of their role in international affairs, and others because of the need for development assistance to which we can contribute, and still others because of the great need for humanitarian contributions Canada can make.

It will be incumbent upon the committee to take an in-depth look, or as much so as a parliamentary committee can, into the whole question of human rights and the violation of human rights in some of these countries, and El Salvador I suppose is a perfect example. Canada may be able to fill a very needed role in this particular area because of the status, standing and good will which we enjoy in the Latin American area.

Because this will really be the first in-depth look at this particular region, the committee will offer Canadians a window on Latin America and the Caribbean. This will act as a challenge not only to committee members but to Canadians in general to get to know this very important region better and to come to understand it, which we hope will result in us all being drawn closer together. I think this is a very important part of the committee's work.

May I call it six o'clock, and ask that I be allowed to resume my remarks after the dinner break, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p. m., the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Murta: Mr. Speaker, I would like to continue where I left off at six o'clock. In the last few minutes I have available to me, I would like to try to put into perspective the whole question of world population and our ability as a developed country and the ability of other developed countries to try, in some way, to feed that growing population.

To put population figures into some perspective, let me say that there has been a population increase from about half a

billion people in the sixteenth century to 1 billion by 1820. That number grew to 2 billion by 1930, to 3 billion by 1960 and to 4 billion by 1976. It is a virtual certainty that a further 2 billion will be added by the end of this century. The United Nations Fund for Population Activities has stated that world population rose by 80 million last year alone and will go up by an estimated 90 million each year for the rest of this century. That is the type and size of the problem confronting us when we talk about world population.

It has been said by many people that family planning programs will be one of the main keys to the survival of the world in the future. I happen to believe that is true, yet less than 50 cents per capita per year is currently spent on family planning and population programs in developing countries, and the demand far outstrips available funds.

One of the big problems the world will face in the next few years will be in the cities. Cities will be a major problem, first, because they will contain tremendous concentrations of people in relatively small areas and, second, they will occupy valuable land which could be used for agricultural production. It is estimated that large cities will grow more rapidly than smaller cities, and some of the former are likely to reach proportions which are totally unfamiliar to city planners. In 1950 only four of the largest cities were in the less developed countries. In 1975 this number rose to seven, and it is projected that 12 of the 15 largest cities will be in the less developed countries by the year 2000.

In 1950 there were six cities with populations of over 5 million, and their combined population was 47 million. In 1980 there are 26 cities with populations over 5 million, with a combined population of over 252 million. Projections indicate that will increase to over 60 cities with an estimated population of nearly 650 million by the year 2000. Figures reflecting the size and growth of cities are truly alarming. There is absolutely no question in the mind of anyone who has looked at the whole question of population and population growth that there will be six billion people by the end of this decade and eight billion or ten billion in the years after the year 2000.

The question which must be asked is whether, given that population, we will be able to feed all those people. The hard fact is that the developed countries—and Canada is obviously one—cannot or will not be expected to be able to feed the world. It is just not possible, even though we would like to think it might be. There will not be enough production because on a world basis population is growing faster than the agricultural production to feed that population. If we did have the production, we do not have the transportation capabilities. If we had that, in most cases the countries that really needed the food cannot buy it. Oil price increases have made this problem much worse because there now has to be a trade-off in the developing countries as to whether to spend money on food or on energy.

• (2010)

An example of the situation I think is most graphically illustrated right here in Canada. We set a target of exporting 30 million tons of grain by 1985. I frankly do not know whether we will reach that target. It is quite a modest figure, yet farmers in Canada are hesitant because of rising fuel prices and the substantial and increasing costs of production. Another problem is that most of our land is already in production, as is the case in a good many other developed countries in the world. In addition, because of transportation sector difficulties it is doubtful whether we will be able to meet that export commitment. These are just Canadian problems. When you multiply those on a global basis in terms of the developed countries, it makes the whole situation seem very dark and frought with all kinds of dangers.

What can governments do? That has to be the question we ask in terms of increasing agriculture production. Obviously it means that countries like Canada, the United States, Australia and countries of Europe keep up food aid to the very maximum possible. That has to be done, but we have to realize that will not solve the problem. Obviously another step in that direction which I think has to be taken is the setting up of grain storage capability for emergencies. That also has to be done. However, the real emphasis in my opinion has to be on money, time and effort in terms of plant and animal breeding, producing plants that in effect supply their own fertilizer. I think countries like Canada can make a big contribution in money, time and effort on those kinds of projects.

Credit for countries to buy fertilizer, machinery and insecticides has to be increased, and we also have to provide technical help. We have to realize, Mr. Speaker, that countries which need food the most somehow must be encouraged to produce it themselves. International relief and help can and must help poor countries, but the bulk of the work must come from the countries themselves.

In conclusion, Mr. Speaker, I would like to say that all the policies and strategies outlined by the people concerned with this problem here today and throughout this long debate which has taken place over a number of years, problems of people, of food and the environment, will not mean one iota if the will between the developed and developing countries is not taken into account. In some respects we are at the very beginning of the kind of information program which will have to take place in the developing countries to get the awareness level up to the point where the citizens of these countries allow their governments to move forward. The central question obviously must be whether the rich and fortunate are imaginative enough, and the resentful and underprivileged poor patient enough, to begin to establish a true foundation of sharing, co-operation and joint global effort. If over the next few years the answer is a resounding yes, then of course we have something to look forward to in terms of life on this planet. If it is no, then I think this planet is doomed to a destructive fate. In my opinion, Mr. Speaker, we will know the answer within the next decade.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, this morning when I woke up I found that I had been dreaming about something I had read about last night. I was dreaming about a little boy called Alfredo Rampi. No one except his family

knew his name last week, but most of Europe and practically all of North America knew it this week because Alfredo Rampi is the little boy who fell down the well in Italy and has since died. When I awoke this morning I found I was semi-dreaming about the little boy, the fear he must have experienced, the inability to move, the hopelessness and helplessness of being caught in that tunnel. Up above people were trying to help him. They tried to feed him artificially, give him a drink, and at the same time almost in a panic they tried to save him by digging another hole so as to reach him. But little Alfredo Rampi died.

Now, Mr. Speaker, I believe I know a lot of little Alfredo Rampi's. I believe I know a lot of little boys and girls, human beings around the world, who are trapped in the tunnel of oppression, poverty and misery, who must be experiencing and who do experience in a way what was expressed in the last emotional cry of little Alfredo. And so tonight I am going to address my remarks as much as I can to the personal problem confronting each human being on the globe today as it relates to something which has been very easily dropped into the phrase "North-South". North-South, as has been explained by others today, is simply a new set of words relating to countries that we ordinarily call developed and those we ordinarily call underdeveloped.

I have had the privilege, Mr. Speaker, of having lived a good part of my life in the North and a part of my life in the South. I have deep personal friends who are part of the North and deep personal friends who are part of the South. I have deep feelings for both sides of the question at a very personal level. I feel today that our world, our country, you and I and all the people in the world, are caught up in a moment of history that literally has never happened before. Statistics cannot explain what is happening, and a vision of where we are going has not really been clearly seen by anyone.

Let me try to put this in context. I am 52 years old, having been born in 1928, and with a little bit of luck I could live until the end of the century. It is a possibility. If I live the next 19 years, half the people who have ever lived on this planet will have lived while I was alive. They were either alive when I was born or they will still be living when I die. So in a way people my age or those now living on this planet will live through half the history of humankind. To put that into the bread and butter words of everyday life, half the food, water, air and literally half the products which the world has ever produced will have been produced and eaten or used by people living during my lifetime.

We are caught in a moment of history which has not happened before, and problems that were solvable in one way before cannot now be solved by the old solutions. In the debate tonight, and each one of us I am sure can speak for hours, we want to say and we will say something about the importance of so many things involved in this little phrase "North-South". I think it is important that we bring to the debate the question of what is development, because development seems to be what distinguishes the North from the South. The word "development" is understood and used by many people in different ways. As I use that word in my speech, I will use an understanding of the word which I think is extremely important if it is to be put in the North-South context. Development today is often used by some people who would, in a sense, tear down a set of old buildings and raise up a new building; they would call this development. In a sense it is a kind of development. Then there is the other group of people who would say we should just go up, take over the north and put in the pipelines; they would call this development. To me development is those things which make it possible, in a certain place, in a certain context, and in a certain culture, for a human being to live as a human being in what I would call frugal comfort. It does not mean that they will have all the material goods of the world or even a great part of the material goods of the world. It means that they will have enough in their lives to live in frugal comfort.

● (2020)

As we talk about the notion of development, it is extremely important to constantly keep in mind that development concerns human beings. We must develop, build and create a situation in which human beings can live and be human. Things that work against the possibility of a human being living as a human I call underdevelopment or anything but development. Things that work for and build up the situation and the climate in which a human being can live and be a human being, I call development. This is what the question of North-South is about. We must continually put underdevelopment at the bottom of our equation. If we are not bringing about the situation and the climate which will create a world in which people can live as human beings, it is not development; it is exploitation or something else, but not development.

I believe every human being is the most precious element which exists in creation as far as we know it. No matter where persons are, no matter how intelligent they are, no matter how much schooling they have had, no matter what colour they are, no matter how rich they are, no matter whether they are old, young or whatever, they are human beings and they deserve to live as human beings.

When the Prime Minister (Mr. Trudeau) began his speech yesterday afternoon, he used an image which I felt was very important. I heard it again several times today. It is the image of the good neighbour. In my first speech in the House of Commons I used that same image. I would like to repeat what I said at that time because the ability to be a good neighbour to one and all will be involved in bringing about the process of development. The phrase "good neighbour" comes from the Scriptures. On a certain occasion when the Lord was challenged about what was the greatest of all commandments, he simply replied, "You know what you are talking about. You are a lawyer; tell me." The lawyer replied, "Love the Lord, your God, with your whole heart, your whole mind, and your whole soul; and love your neighbour as yourself". The Lord said, "You have spoken rightly". And the man replied, "But who is my neighbour?" That is where the story comes from. The story is very simple but it is well worth telling over and

over again because it talked about today as well as about the world in which the Lord lived 2,000 years ago.

A man was going down from Jerusalem to Jericho and on the way he fell among thieves who beat him, stripped him and left him half dead. It so happened that a priest was going by on his way to the temple, and he saw him and passed by. Then a Levite came and did the same. Finally a Samaritan, a person who did not really belong to the society at all, came by and saw him there. He stopped his beast of burden, dismounted, bound up the wounds of the person, poured in oil and wine and looked after him. He took him down to the inn and left him there. He gave the man who kept the inn a denarius and said, "I will pay you for tonight. When I come back, if there is something else owing, I will pay for that too". And the Lord said, "Among these, who was the good neighbour?", and everybody said, "The Samaritan".

It is a simple story but a profound principle. There are basically three kinds of people in the story. The first are the thieves. They are the ones who came along, took, robbed, beat, stripped and left the person in the ditch. The second group was the priest and the Levite. They are the ones who saw the problem but they were unwilling to get their hands dirty; they would not look after the person in the ditch. Finally the Samaritan, the one who came last, stopped, took the risk and gave up everything. He took all the chances; he was willing to give what he had. He took the man and he looked after him; he was the neighbour.

In the North-South we are dealing with neighbours. In those three different groups of people who approached the man in the ditch, I believe we have the principles by which our world still works. The first group came and said, "What is yours is mine", and they took from that person or anybody at all, no matter who they are. Their land, their wealth, their labour, their sweat or whatever it is, they took and said, "What is yours is mine".

The second group came and said, "What is mine is mine", and they did not care about anybody else. The third group came by and said—and I am calling upon the House of Commons and the people of Canada to put us into the third group—"What is yours and what is mine is ours". It is an old story, but I believe the elements which make up the story are being lived out in the world today. I believe that story has a lot to do with what must happen in the Third World, the South and the North and the way we all relate to it.

Sometimes when we talk about the North-South, we sort of feel that we have it all and the South has nothing. Because I have had the privilege to live in the South as well as in the North, I know it is a completely false idea. The South has great values to show the North. With its richness and multitude of cultures all over the world, the South has many things to show us. I believe it is necessary in the North-South dialogue to listen extremely carefully to what the South has to say about many things—about ways of life, about values and many other things.

The consumer society builds upon the fact that we have a lot of things and that we have the ability to get more things, and more and more, until the graveyard finally tells us that it was not worthwhile after all. There are no Brink's trucks in funeral processions. It is important to realize the elements and goods which make up this planet. There is enough for everybody, if we find a way to share. It is not just taking a little bit out of my pocket; it means taking the super risks of stepping out into the world of today and making profound changes in our systems so that distribution to all the world is possible.

The Prime Minister indicated his deep concern in relation to the North-South dialogue. I wish him well and I trust that his efforts will bear fruit. I also suggest to the Prime Minister that when he takes trips around the world, he should take more care in planning them. It is important to care, but it is also extremely important to look as if you really cared. I do not think it a good idea to put a Third World trip on the tail end of a skiing holiday. There is nothing wrong with skiing and there is nothing wrong with putting it in the right place, but that is not the way the South sees it. The people in the South see that as a flippant way of treating them after we have looked after ourselves. I am sorry, Mr. Speaker, but that is the way it is.

• (2030)

I would suggest to the Right Hon. Prime Minister that he make sure he is extremely well briefed from many sources on what is actually taking place in the countries he visits. I know some countries in Latin America. I know a little bit about the great country of Brazil. When the Prime Minister visited Brazil, he should have done as President Carter did when he visited Brazil, and he should have seen people other than the Canadian business community and a few diplomats, besides spending a few hours on the Amazon. He should have seen some of the people who are leading the movement of liberation in that country, as President Carter did when he was there. He should have spoken to the lawyers' society and other people, such as the trade unionists. The whole movement that is taking place in that country is not often shown to visiting diplomats. They are not always made familiar with the political situation.

I was happy to have the privilege to work with the North-South task force. It is a beginning but there is still a long way to go. Two areas were not touched that are extremely important to the whole question. One was the area of multinationals, which probably control more of what is happening in the North-South dialogue than all the countries involved.

The other area is the link between armaments and underdevelopment. That was not touched upon either. I feel that the report, which I was glad to work on, has value. Yesterday the government supported almost all of its recommendation—and we will see that it lives up to its word—but there are areas that were left out of the report. I hope that we will be able to continue working in those areas.

I should like to make a few recommendations here, Mr. Speaker. Canada is going to buy 138 fighter aircraft. I really do not believe that we will feel any safer with 138 planes, but I am willing to let the government buy 137 planes, and instead of buying the last plane, I should like the government to take

that $30 million or $25 million, or whatever it is going to cost, and put it into a separate fund to finance research on peace.

Some hon. Members: Hear, hear!

Mr. Ogle: Development and peace are like two hands washing each other. If there is no development, there will be no peace. We have to find how peace can be achieved. We have to research and use every human ability to do that.

I should like to congratulate the government for appointing an ambassador for disarmament on a full-time basis. At the same time, I should like to ask the government to give him a budget and make it possible for him to do something above and beyond a little bit of visiting. He should have a real budget.

Finally, I should like to ask my friend, the Secretary of State for External Affairs (Mr. MacGuigan) to reconsider his position on Central America. I felt very much like the little boy, Alfredo Rampi, as the minister made his speech this afternoon. I felt I was confined in a tomb. I ask the minister to seriously reconsider the situation. Six months or more ago I wrote to him asking him to visit Latin America, Central America, so that he could meet the people and see the situation for himself.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

The hon. member for Gloucester (Mr. Breau).

Some hon. Members: Hear, hear!

Mr. Breau: Mr. Speaker, the hon. member for Saskatoon East (Mr. Ogle) had not concluded and I believe there was agreement to let him conclude his remarks.

Mr. Deputy Speaker: The hon. member for Gloucester. There is no unanimous agreement.

An hon. Member: Who said no?

Mr. Friesen: I did.

Miss Jewett: Benito Friesen.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to take part in this debate. In my opinion, a good debate was held yesterday and it riveted the attention of almost all members of the House. I think that is an encouraging fact. I have always believed, Mr. Speaker, that our political system did not provide enough opportunities to discuss international issues, especially with respect to international development and co-operation. It is normal, since we are elected to represent certain interests, whether they are the interests of our constituencies or philosophical and political interests and we normally tend in politics to centre on the problems of such groups in our constituencies. Our concentration on—Mr. Speaker, I wonder if we could not have some order in the House.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Gloucester has the floor.

[*Translation*]

Mr. Breau: It is normal, Mr. Speaker, to centre our political efforts and our political discussions on the interests of our constituents, as I said earlier, as on our philosophical or political interests. Unfortunately, our parliamentary system, our political system generally does not provide enough opportunities to discuss important questions outside our immediate interests. This is why I am pleased that the government decided yesterday to devote an entire day to a debate on international affairs and I am pleased to see that the New Democratic Party has decided today to devote one of their allotted days to deal with them. I had the opportunity for almost a year with six other members from both sides of the House to belong to a working group on North-South relations which I chaired.

I want to say how much I appreciate the co-operation I was extended as chairman, first of all from the spokesmen of both the opposition parties, the hon. member for Edmonton South (Mr. Roche) and the hon. member for Saskatoon East (Mr. Ogle), and from the other member of the opposition, the hon. member for Erie (Mr. Fretz). From this side of the House, I was also extended a good deal of co-operation and dedication to the cause by the hon. member for Labelle (Mr. Dupras), the hon. member for Guelph (Mr. Schroder) and the hon. member for Sudbury (Mr. Frith). This has been a valuable and rewarding experience for the seven of us, and I feel that we have made the point that our parliamentary system, when there is a strong will to . . . We often talk about the need to reform our parliamentary institutions. I suggest that we should be concerned more with the need to change our attitudes as members of Parliament, for when there is a will, there is a way for members representing different parts of this country, various political formations, to agree on a statement of policy such as the report of the parliamentary task force, a document which does not necessarily represent the views of a particular member or group of members or party in the House, but is the result of an honest and sincerely negotiated effort. In order to achieve such a result, we had to reconcile several of our views, in some cases there was some give and take we had to defend our points of view, and the result was a coherent statement of policy comprising several recommendations. I am happy to note that in general the government has accepted the directions of the task force. Yesterday the government said and the Prime Minister (Mr. Trudeau) repeated that the government accepted the main directions contained in that report and which are as follows, Mr. Speaker. They are quite simple. It is that we should show concern as individuals, humanitarian concern, when making important policy decisions and that it should not be our only concern. What this report says is that there is a mutual interest, there are practical benefits for the

North, for the West, for Canada in meeting the people's needs in the Third World and the South.

I think that our constituents are not very interested in the matter. They have heard too much about it in the past. They have been told that there was a hunger problem in the world, that they had a moral responsibility, that they should not let such things happen as human beings. That is quite true. But what is important in politics is to convince our political, social and economic agents across Canada, in all walks of life, that it is in the best interests of Canada and the western world to take part in the changes that are going to happen, like it or not.

Mr. Speaker, for years, ever since the beginning of mankind, there has been change in various parts of the world throughout the evolution of mankind. You cannot stop the aspirations of people who want to be free, to develop themselves and have better opportunities. Like it or not, change is bound to take place, and if we fail to act now—it is always too late to act in such situations, but if we do not grab the opportunity—At the present time, there seems to be a momentum, a desire at least in some parts of the world, both in the North and in the South, to initiate a process of discussions and negotiations. That is the important thing.

I think we should take the opportunity of being partners in that changing process because, if we do not, in any event, Mr. Speaker, the change will take place and we will have to respond later on. We should learn from the past, from the history of humanity, the recent history of the past 30 or 40 years in almost every area of the world. Emerging powers, whether political, economic or merely social, were not always recognized as such. But the mere fact that they were not acknowledged for what they were does not mean that those people did not continue to strive for their freedom and independence. The end result is that the Western world, at times embarrassed, had to respond to the changes involved. We say in our report, Mr. Speaker, and I am glad to see the government accepted that recommendation, that we must be positive agents in this changing process.

● (2040)

[*English*]

I would like to deal with two aspects of the whole issue of the North-South dialogue as it is emerging this year. I would also like to deal with aspects of international development and co-operation, which I believe are most important, not because I believe they are exclusively important or because other issues are not important, but because I want to be brief. I want to give other members an opportunity to speak.

If I were asked what would be the most important event of this year in international development and co-operation, with regard to North-South dialogue, I would say first that the North and the South must make compromises to agree on a process. People do not realize that the institutions are not yet at the point of discussing substance. That is bad enough.

So the first point I would like to make is that we must agree on a process. There must be a process of global negotiations this year which will work. There will be disagreements in substance, but we must learn and try to manage the disagreements and move forward with some action.

There are two policy aspects with which we must deal urgently. There is the food problem, both the question of food production and security of supply, and the energy question. These two matters are very much related.

I would like to quote from two passages from the report of the Parliamentary Task Force on North-South Relations. At page 48 of the French section it says:

[*Translation*]

World grain supplies have fallen to 14 per cent of all grain consumed in 1980-81, bringing them down to about the same level they were during the 1972-73 food crisis. Imagine.

Eight years later we are back at the 1972-73 levels.

Production has dropped and it is expected that prices will increase 20 to 30 per cent.

The report also states, Mr. Speaker, that in some regions of Africa especially, food production increases at a slower rate that population growth.

That is one of the most urgent issues. Also, the energy question is related to this because unless we help developing countries, which are importers of oil, finance their balance of payment deficit, which is huge, these countries may face balance of payment deficits of around $80 billions. That is a huge amount, Mr. Speaker. Eighty billion dollars. There is no way any corporation, or any Third World government can be expected to solve its food production problems when it must find $80 billions to finance its balance of payment deficit.

Bangladesh, for example, must spend 70 per cent of its foreign exchange to buy the oil it needs. Most of the poorest countries, which are oil importers, must spend on the average 50 per cent of their foreign exchange to buy oil. Therefore, Mr. Speaker, world organizations, especially the World Bank and the International Monetary Fund must realize that unless we go ahead with this energy affiliate idea—

[*English*]

What is most important to me is that the world institutions and the governments of the North try to take an active part in the summits of this year, not only in the summits but in the negotiations of the central institutions themselves.

I would again like to quote from the report of the Parliamentary Task Force on North-South Relations at page 57. I believe it is important to put this passage on the record, since it is not realized to what extent the problem of energy deficiency exists in the Third World. The problems of high balance of payments deficits which stifle the efforts of poor countries in food production are not realized. I read the following from page 57:

The oil importing developing countries are experiencing severe difficulties in this new energy situation. Many poor countries are now entering the phase of

industrialization which is fueled by increasing amounts of energy. The World Bank estimates that the energy requirements of the developing countries will grow at a faster rate than those of developed countries. In the agricultural sector, increased productivity depends in part on supplies of petroleum-based products such as chemical fertilizers. This was a major factor in whatever success has been attributed to the Green Revolution. The transport sector, which is vital to better distribution of agricultural products and the development of industry, is still largely dependent on gasoline powered vehicles. Thus the very process of development and modernization has made the oil importing developing countries extremely vulnerable to problems of energy supply and price.

This predicament illustrates the vicious circles of development: countries, already too poor to invest adequately in human or industrial development, require both for development; their ability to invest is diminishing daily because of mounting oil bills; and aid donors often offer assistance in the form of technology and equipment which consume even greater quantities of oil.

That is the most important thing which the central institutions can decide this year.

Some hon. Members: Oh, oh!

• (2050)

Mr. Deputy Speaker: Order, please. The hon. member for Gloucester has the floor.

Mr. Breau: I am happy that the government has accepted the basic thrust of parliamentary task force report. I am happy particularly that the government has accepted the position that the energy affiliate is one of the most important things that can be accomplished in the short term.

I mentioned earlier that the task force, comprising seven members of Parliament, could agree on a coherent political statement which has now been accepted in its basic thrust and orientation as government policy. I believe this augurs well for Parliament. This concept of a parliamentary task force, which was started by the Clark government when it was in power, was seeded at that time and now is being developed further, is a concept that will work well, where elected members of Parliament can really get together and negotiate their differences, whether they are party differences or philosophical differences. When that is done, the government will study the recommendations and if it accepts them, we will fulfil a role as elected parliamentarians by orienting policy which the bureaucracy will then follow. That is the way Parliament should work. It can work when there is a will to make it work.

As I said before, we should realize that the whole question of reform of parliamentary institutions sometimes has to do with the reform of attitudes. When members can get together with this kind of mandate and authority, it is good for the future of Parliament.

I want to touch briefly on a point raised by the Leader of the New Democratic Party (Mr. Broadbent). He made a good, eloquent speech. He explained the history of the problems encountered by most countries of Central America, particularly instances where there has been revolution. However, I have two comments to make about his speech. First, I do not think it is good enough continually to build political support for a position against the United States of America.

Miss Jewett: Who is doing that?

Mr. Breau: The United States of America is our neighbour; it is our ally. The new administration has just received a mandate. Although I disagree with that administration, I have to respect the fact that the people of the United States of America elect governments the same way as we elect governments here.

Miss Jewett: So what?

Mr. Breau: It is the same way as members of the New Democratic Party are elected here. It does not help the situation in El Salvador or in the South to have people basing their positions on some anti-American feelings. That is not good enough for the formation of foreign policy.

Some hon. Members: Hear, hear!

Miss Jewett: A lot of Americans are critical too. What is wrong with being critical?

Mr. Breau: Of course. But I would like to remind the spokesman on foreign affairs for the New Democratic Party that she is not in the Congress of the United States. There are people in the United States who can speak—

Miss Jewett: It is an independent country.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Miss Jewett: Let him continue.

Mr. Roche: Mr. Speaker, I rise on a point of order. I know that the hon. member for Gloucester (Mr. Breau) has exceeded his time, but with the consent of the House and with the consent of the hon. member for Oxford (Mr. Halliday), is it possible to put a brief question to the hon. member for Gloucester?

Mr. Deputy Speaker: Is there unanimous consent to extend the time allotted to the hon. member for Gloucester?

Some hon. Members: Agreed.

Miss Jewett: On that point, I would like the hon. member to continue his speech.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member for Edmonton South (Mr. Roche) to put a question to the hon. member for Gloucester?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am delighted to participate in what amounts to a debate on North-South relations. I am even more delighted because at last we are having such a debate. It is high time that international development were given a thorough hearing and discussion on the floor of the House. The infrequency of foreign policy debates in this chamber is worth noting and lamenting. As the

Brandt commission observed, for some time in the developed world, including Canada, the air has been thick with alibis and it has been rife with rhetoric. Now is the time to act.

It has been six years since the Prime Minister's (Mr. Trudeau) impressive Mansion House speech and seven years since the Prime Minister proclaimed that if Canada's presence in the world were to be judged by a single criterion, it should be Canada's humanism, its pursuit of social justice. If concrete actions and specific commitments are not made, and soon, there is the danger of our Canadian statements expounding social justice having a very hollow ring to them. That danger may not be far off. Witness the Brazilian newspaper which, in January of this year, speculated that the Prime Minister's stop in Brazil was nothing more than a mutual publicity stunt on the part of the Brazilian and Canadian governments. For despite impressive advances in the early 1970s, Canada's aid is now down to .43 per cent of its GNP, a far cry from the low .7 per cent suggested by the Pearson commission and a long way off the 1 per cent allocation proposed by the Parliamentary Task Force on North-South Relations.

I am reminded of a newspaper article in January which discussed the Prime Minister's world tour and which reads in part:

> Like a nineteenth-Century Russian nobleman in one of Chekhov's classics, Mr. Trudeau had the cosmos on his mind; poverty and affluence; violence and disorder; tradition and change; the future of the human condition. He discussed these worthy subjects in lofty, sometimes philosophical, often moralistic ways, but ultimately he failed to put much effort behind answering the question, "What is to be done?"

We know of the Prime Minister's fondness for abstractions. We were treated to the famous hexagon in the foreign policy review, the six policy themes, which were to provide the framework for Canadian foreign policy but which were so general as to offer no guidelines for policymakers. We have seen major initiatives, such as the third option and the contractual link fizzle and die.

North-South relations now is the issue and the government has promised that it will pursue an active role in fostering a constructive dialogue with developing countries. Mention was made in the government's report of Canada undertaking a bridge-building role, which is most praiseworthy and marks a welcome departure from the Prime Minister's attitude in the foreign policy review period during which the government's handbook entitled "Foreign Policy for Canadians" held that the opportunity to pursue sensible policies, one firmly anchored in domestic concerns, had been squandered in the quest for roles, influence for its own sake, and international applause.

That was not true of Pearsonian diplomacy and I hope that it will not be the case today. I support a bridge-building role for Canada and can see the potential for Canadian leadership in North-South relations. But, as I said, the time has now come to act.

I share the Brandt commission's premise that mankind wants to survive and that mankind has a moral obligation to survive. It is imperative that we, as citizens of the world, work to overcome the tragedy of world hunger, mass misery and the gross inequalities which exist between rich and poor. However, rather than succumb to the intellectual vice of oversimplicity and rather than rely on abstract concepts, such as the quality of life and international social justice, laudable though they may be, the time has come for a strategy which focuses on a concrete specification of human needs, a strategy which is specific in terms of attempting to channel particular resources to particular groups in particular ways.

• (2100)

The facts and statistics, such as the figure of 800 million destitute people on this earth, are striking and alarming, but they seem all too unreal and for some reason fail to spark a groundswell of public support for international development, particularly when Canadians themselves are facing varying degrees of economic hardship. It is important to realize that development means very simple and basic things; enough food, a job, somewhere to live, a future for one's children, some basic security. Cast in these terms, development becomes understandable and nowhere is development more sorely needed than in the Third World and in countries like El Salvador, which are beset by many problems. In light of the civil war in El Salvador, one should make the point that development which does not touch the majority of the people is not development at all. It is our moral duty and it is in our interest to eradicate the suffering in the Third World.

I believe, and I am not alone, that we need a comprehensive, multidisciplinary, sectoral development approach, the vanguard of which should be population policies. Population seems to have been a forgotten factor in the work of the Parliamentary Task Force on North-South Relations, and it is not addressed in the government's response to the task force report tabled yesterday. This omission is a most significant and unfortunate oversight, deliberate or otherwise.

Since the Bucharest Conference on Population in 1974, most countries have come to recognize that population and development are inextricably bound together. Just as no population program should be considered in isolation from policies and plans on such issues as health, housing, education, employment, the environment and the use of resources, so too must all development projects incorporate a population component. This conclusion was reached unanimously by parliamentarians from 58 national parliaments at the Colombo conference in 1979, which included four Canadian representatives, and this view was adopted unanimously at the subsequent meeting in Caracas of the Interparliamentary Union where 82 countries participated.

Moreover, the Brandt commission report, which appears to have served as a guide for the parliamentary task force, devoted a chapter to population issues and strongly emphasized their importance in any effective over-all international development strategy. Further, the need for population policies is recognized worldwide and many committees on population and development formed by parliamentarians in Canada,

Great Britain, Japan, West Germany and elsewhere can attest to this fact.

Population problems are not confined to one area of the world and the implications of population increases are staggering. More important, they directly affect individuals and both perpetuate and exacerbate present inequalities in the world.

There is the problem of employment. In the developing countries between now and the end of the century, 800 million additional jobs need to be created. Indeed, the labour force in the less developed countries was projected to expand by over 90 per cent between 1970 and the year 2000, nearly doubling within the span of a single generation.

There is the problem of per capita consumption of resources, mostly by the developed world, which has engendered much pollution and waste and has contributed to worldwide shortages of key resources. Worldwatch Institute director, Mr. Lester Brown, has pointed out that human needs have already begun to outstrip the productive capacity of many local biological systems as presently managed. He has calculated that the world production per capita of key commodities peaked for wood in 1967, for fish in 1970, for beef in 1976, for mutton in 1972, and for cereals in 1976. In addition, crop lands are being diverted from essential food production for the purposes of making fuel. There must be a reduction in population growth to buy time to make new adjustments and develop new technologies.

Finally, population growth can affect peace and stability, of which we see all too little nowadays. Uncontrolled population increases will give rise to social unrest and despair. There may be forced migration and greater numbers of refugees, which are disruptive to the world's economic and political stability. The Brandt commission dealt with these problems in some depth.

Aside from the aggregate effect of uncontrolled population growth, costs are paid within societies. These costs include a decrease in the growth of per capita income and, more important, impede efforts to eradicate inequality. The World Bank Report of 1974 makes this point clearly:

> For many countries population growth appears to affect the rate of growth of average per capita income less than the quality of the development process. Population growth contributes significantly to inequality. It has made social targets, such as universal literacy or full employment, much harder to attain and slowed down improvements in health and nutritional standards. It diminished an individual's chances for education and, in the competition for entry into the educational system, children from poorer backgrounds do relatively badly.

In addition, population increases push against limits of arable land, leading to smaller holdings and perpetuating poverty and malnutrition. Population growth, it can be seen, is an important cause of poverty. Trends of population growth, structure and distribution must be kept within the balance of social, economic and environmental factors. Population growth trends must be reversed for development efforts to take hold.

What is required is a multidisciplinary, comprehensive development approach with a strong population component. I must concur with the World Bank's conclusion that:

> Direct population policies and general development policies reinforce each other in raising per capita incomes, especially among the poor, and in reducing fertility. Neither can adequately address the problem of rapid population growth alone. Direct population programs can accomplish much in most developing countries, but even the most elaborate programs will not reduce fertility sufficiently unless standards of living of poverty groups are significantly improved. It is therefore essential that population programs be integrated with over-all development strategies, and that the design of social and economic policies whose major objective is not demographic take explicit account of how they affect fertility.

For instance, it is known that healthy families tend to be smaller families, so to achieve this end programs may be set up to improve the health of mothers and children. Other programs might involve improving education or sanitation or providing for uncontaminated water, or for effective distribution and instruction in the use of contraceptives. In another case, a government may wish to know for its future planning the rate of urbanization and the rate of growth in different areas of the country. International organizations, such as the United Nations Fund for Population Activities, can provide this service.

It is important that population activities cover all population aspects of development which pertain to fertility rates, mortality and morbidity as they affect developmental aspects and human well-being. Population activities involve the collection of basic population data, population dynamics, population policy formulation and implementation, contraception and child spacing, communications and education. For UNFPA and other organizations, population assistance must be tailor-made for each recipient country, responding directly to its particular conditions and concerns.

Canadians have learned from the recent census just how important it is for governments to have reliable population statistics on hand while formulating policy. As recently as 1971, UNFPA was assisting 21 African countries to carry out a full or partial census on their populations, which in most cases had not been previously done.

Many countries in which economic development is being hampered by population growth are already drawing up developmental strategies and legislation aimed at influencing people to have smaller families. According to Dr. Salas, director of the UNFPA, a recent UN survey covering 114 developing countries showed that 83 of these have entrusted a central planning authority with the task of integrating population factors with development planning, while 69 countries were said to believe that their current rate of natural population increase imposed severe constraints on the attainment of developmental objectives.

Many successes have been recorded in reducing the rate of population growth. In each case, policies were implemented which suited the unique condition of each country. In Sri Lanka, a reduction in infant and child mortality has led to a decline in the birth rate. In Korea, increased economic growth and increased distribution of wealth has similarly led to a reduction. In India, there have been 11 million sterilizations. In China, a drastic reduction in the birth rate is due to the use of incentives and disincentives. Incentives can have wide application and might involve housing, maternity benefits, tax

deductions, pensions and subsidized education, where the incentives are geared towards convincing people to have small families. Education is an important tool. For instance, in Latin America, women who have completed primary school average two children less per family than those who have not. Raising the status of women, by providing education, developing skills in women and offering wider opportunities for women, all improve the chances for a lower birth rate. I applaud the government's support for this issue in its program.

Still, one cannot be complacent. There is a sense of urgency. Some 35 per cent of the present world population is composed of people under the age of 15 years. The World Bank reported in 1974 that countries which offer family planning services in their health programs now account for over 80 per cent of the population, but the proportion of women who, when exposed to the risk of pregnancy, use a method of contraception, is less than 20 per cent. The recent world fertility survey showed that nearly one-half of women who said that they did not want any more children were not using any method of contraception.

Finally, of the approximately 500 million women in the world today who are capable of bearing children, 70 per cent use no contraceptive methods at all. The desire to control fertility is there, but the means to do it are absent or not well understood. As a result there are millions of abortions. More should be done to stem population increases and to cut back on abortions. The need and demand for population assistance is great, but as the Brandt commission reported, the UNFPA can only handle two-thirds of the requests it receives.

• (2110)

If we look at El Salvador, for instance, we see a real tragedy. El Salvador's population statistics are intolerable, and no doubt they have played—perhaps the Leader of the New Democratic Party (Mr. Broadbent) can tell us about this—a role in the present crisis. El Salvador has a 3.2 per cent annual increase in population, meaning that its population will double in only 22 years. The figure for Canada is 89 years. The average number of children per woman is 5.8 in El Salvador compared with Canada's 1.8.

Forty-five per cent of the population of El Salvador is under 15 years of age, and already in 1981 there are 383 people per square kilometre of arable land in the country. El Salvador faces real structural problems, which undoubtedly have a definite bearing on the present hostilities there and do not augur well for the future.

Population policies and programs of action touch upon the most intimate of human relationships—the act of love and the family—and involve other basic institutions such as the church and school. For this reason population assistance operates best on a personal, grassroots level, showing respect for the feelings of those concerned and suited to fit the needs and cultural values of the recipients. To be successful a policy must reach and affect the behaviour of individual people and be accepted by them. This decentralized grassroots approach is quite different from a loan for a factory or an airport, the effects of which, good or ill, operate indirectly.

A continuing role for multilateral assistance in population through international organizations must remain. These organizations, particularly UNFPA, are able to transmit and collect information, lend experts to needy countries and propagate certain technological advances. I ask our government to increase its support to UNFPA.

I approve of the government's intention to increase funds to the NGOS, and I ask that the International Planned Parenthood Federation receive increasing financial assistance. After all, the IPPF is the second biggest international voluntary organization in the world, after the Red Cross.

Finally, I share with the task force the view that Canada has great potential for leadership in North-South relations. I wish to point out that there exists ample Canadian resources in the field of population studies. I hope that our highly trained demographers, sociologists, geographers, and physicians with expertise in the population field might be given a larger role to play in matters of population assistance to the South. Similarly, the statisticians at Statistics Canada and the demographers with the International Development Research Centre here in Ottawa could and should play more active roles.

Population should no longer be a forgotten factor in Canadian or world development strategy. Rather, I hope that the government will incorporate a population component wherever possible in new development projects financed by official development assistance.

Before closing I would like to say that it would be my hope that the government would see fit at either or both the upcoming summits here in Ottawa and the one in Mexico to give serious consideration to putting this subject on the agenda.

I will close with the words with Dr. Salas, and I quote:

> Interest in population is not a concern with the figures on a chart or the curves on a graph alone, however important they may be, but essentially an involvement with the future of humanity itself.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FORMER PREMIER OF NEWFOUNDLAND

The Acting Speaker (Mr. Ethier): With the permission of the House I would like to draw the attention of hon. members to the presence in the Speaker's gallery of a very distinguished visitor, namely the former premier of Newfoundland, the hon. Joey Smallwood.

Some hon. Members: Hear, hear!

International Relations

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—INTERNATIONAL RELATIONS

The House resumed consideration of the motion of Mr. Broadbent:

That this House expresses its continuing concern with respect to Canada's international relations and calls on the government to demonstrate a meaningful interest in South and Central America and, in particular, to initiate steps aimed at establishing a negotiated settlement of the tragic civil war in El Salvador.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, just like my colleagues who spoke before me, it gives me great pleasure to take part in this debate on the North-South dialogue, the relations that we could establish in Latin America and the Caribbean, and finally the tragic events in El Salvador.

As concerns the last element of this motion, the tragedy in El Salvador, I have listened very carefully to the Leader of the New Democratic Party, and this has led me to realize that my own sources of information, since I had the advantage of spending about ten days in El Salvador, did not correspond with his own. There are contradictions in many areas, especially as concerns arms deliveries. I have always believed, Mr. Speaker, that a conflict always involves two elements and that it was impossible to start a conflict unilaterally.

Mr. Speaker, I heard the comments made by the Secretary of State for External Affairs, who made a few corrections as concerns the Canadian position, and as mentioned by my colleague for Gloucester (Mr. Breau), this was certainly a good opportunity to urge the United States once again not to interfere in an increasingly unfortunate situation, which I would not want to exploit more than need be.

Mr. Speaker, I particularly want to speak about the experience of the task force on North-South relations and about that part of the motion which concerns our relations with Latin America. The task force report has been very well received everywhere. The Canadian government tabled yesterday its response to approve it, and it is reassuring to know that the efforts of a number of members of the House have been appreciated and I think that this will help other *ad hoc* committees to develop some credibility for the research work to which we have committed ourselves. The substance of the task force report will lend weight to the initiatives and the efforts that the Canadian government and the Prime Minister himself have made these last few months to give Canadians and the heads of states who will be here in July an increased awareness of some of the problems of the developing countries.

Mr. Speaker, the task force does not pretend to have covered all aspects of international development. Of course, we did examine certain important aspects, we discussed them, and my colleague for Gloucester, the chairman of the task force, has already talked about them. There are also certain very important elements with which we unfortunately did not have time to deal. Among those, I would like to mention the outflow of expertise, the brain drain as it is usually called, which is causing more and more problems for developing countries when young people who have received some type of training which could help their own country decide to remain in the country where they have been trained. I have found that the Canadian government is often blamed for having kept these new talents, and I believe that this is an unfair judgment since it is up to the country of origin to see to it that if these young people really want to work for the economic development of their country, they return urgently to their country to make their contribution. This is an aspect of development which is enormously costly for developing countries.

Mr. Speaker, there is another problem related to this one, namely the increase in administration and registration fees that Canadian universities must charge foreign students. I believe that this is unfair for those countries which depend on Canada to give adequate training to their young people. I think that this is a marvelous opportunity for us to develop and train in Canada the future leaders of developing countries. Those people will be allies of Canada in 10 or 15 years; they will be the decision-makers, the leaders of their societies who, quite naturally, could be favourably disposed towards Canada if they have studied here. I think it is most unfortunate that an increase in tuition fees should have been imposed on foreign students.

• (2120)

A closer look at North-South relations has also given to most of the members of the committee the opportunity of finding out through our travels that the Canadian International Development Agency and the International Development Research Centre enjoy considerable prestige throughout the world, and just how happy people are to welcome Canadian parliamentarians who are concerned with the problems of the developing world, because of the high calibre of the representatives of those two Canadian institutions, the work those two institutions have achieved and the help they have given developing countries. I was particularly impressed with the work done in the Philippines and Bangladesh.

I believe that one of the recommendations of the task force was that more funds be set aside for the International Development Research Centre. I suggest that it ought to be done without delay since that is not the type of assistance which developing nations find hard to accept. Indeed it is not simply a handout but rather technological aid to help developing countries raise the level of the technology they need so badly for instance, to boost rice and wheat production, to launch a food growing industry, to devise ways of conserving and storing foodstuffs and process them so they will produce more food for their people.

Mr. Speaker, there is another topic on which we did not have enough time to dwell, and I refer to the policy concerning multinational undertakings. A number of the most pressing

economic questions of this and the forthcoming decade are related to the efforts of the world community to solve the problem of multinational companies. The major multinational companies' income and productive capacity exceed those of most of the member countries of the United Nations and those companies are beyond the control of national governments. Even in times of economic austerity and despite the restrictive policies of their host country, many of those companies are so successful that it can only reflect the outstanding efficiency with which they transfer technology, develop resources and know-how, and promote world-wide marketing and distribution techniques. The multinationals are the institutional incarnation of the interdependence which is the hallmark of the world economy, a fact which prompted the head of a nation to say that certain industries should be nationalized rather than be allowed to grow into international giants. I fully appreciate the urgency which some countries see in the nationalization of their industries.

Throughout the seventies, the OECD and the United Nations held negotiations concerning the standards that would make it possible to assess and improve the conduct of those undertakings. The 1976 OECD guidelines for multinational companies proved to be a major milestone in that respect, and the government is keeping a close eye on the negotiations which are going on before the United Nations Commission on Multinational Companies concerning an international code of conduct for multinational companies.

Canada probably knows more than any other country the problems and frustrations associated with the regulations of multinational subsidiaries. It is therefore in a good position to help other host countries and to make exporting countries aware of the problems than can crop up. At the same time, some important Canadian multinationals in the resource field have made Canada a large exporter of capital in the last few years, with no less than $27.3 billion of long-term investment capital going abroad in 1977. Developing countries might be concerned that their economy will be controlled by multinationals, but Canada's level of technological development and sophistication is comparable to those of investing countries. That puts in us in a good position to require a balanced and efficient code agreeable both to corporations and governments.

The Canadian position is based on a double premise. On the one hand, host countries have the right to expect that foreign companies will comply with the national legislation and policies defining the behavior of a good corporate citizen. On the other hand, they must also recognize the generally accepted standards of international law and sound management practices. Canadian spokesmen carefully avoided endorsing proposals that would make the exporting country responsible for the conduct of foreign subsidiaries of corporations under its jurisdiction. It is indeed up to the host country to determine what is appropriate and legal in terms of business practices within its boundaries. Our experience with foreign control as exercised by other countries, in the case for example of trade with China and Cuba and the implementation of anti-trust measures, has only reinforced our views in this regard.

We can easily understand some of the problems and concerns which developing countries ascribe to multinationals: transfer costs, exchange distortions, lack of local framework, slow technological change and lack of sensitivity to local conditions, since we must face them ourselves. However, some of the more extreme solutions put forward in developing countries would result in stopping the flow of private investments in the countries which would implement those measures, which would be most unfortunate indeed. Many developing countries feel that they do not have enough bargaining power to negotiate effectively with multinationals, that they are controlled by firms which are ahead of them as far as information, know-how, capital and market control are concerned. The governments of developing countries tend to ask for an automatic and total right of access to information and to technology as well as to the other assets of multinationals.

The government of Canada, Mr. Speaker, has attempted to deal with that inequality in bargaining power by developing a greater awareness among developing countries of the structures and rules of competition in exporting countries, by giving them better access to current sources of information and by trying to reach an agreement on the type of information which might be reasonably required from firms. The fundamental problems arising from the disparities in size and wealth cannot obviously be eliminated or dealt with readily. Furthermore, they should not be magnified. Most big firms are responsible. Far from seeking only short-term profits, they try rather to establish with their hosts relationships that are mutually profitable in the longer term. The uncertainty created by vague or arbitrary rules of the game can shy away desirable investors and make room for unscrupulous profiteers. On the other hand, the experience of co-operation with responsible multinationals can help a country learn to make better use of new foreign investments. That is a major objective of Canada in negotiating a code for multinationals and in establishing its general assistance and development policies.

In view of all the prerequisites to national sovereignty, it is quite unrealistic to expect the early emergence of some form of supranational code applying to multinational corporations. Indeed any such code should most probably be based on guidelines coming from the parent country by way of the headquarters of these companies. That is certainly not desirable. But it is a realistic and useful exercise to seek an agreement on the legal and political requirements that the host and the parent countries can reasonably impose on multinational corporations and that the latter will consider in their best interest to comply with both the letter and the intent of these agreements. I am quite happy to be able to say that in that area Canadian policy is strongly based upon our own experience and that it has decided on that realistic approach.

Before concluding my remarks I would like to refer again to the speech made by the Leader of the New Democratic Party (Mr. Broadbent) who called for Canada to play the role of intermediary in the present conflict in El Salvador. I find this motion quite interesting, because the Leader of the New Demcratic Party seems to have departed from an apparently well-established rule whereby mediation is something asked for, and not just something offered by a branch of the labour movement. And since President Duarte has already indicated his opposition to any such interference on the part of Canada, or on the part of any other Canadian or American citizen, I cannot see how we could impose our services as a mediator, because this is not the proper approach, for instance in the area of labour relations. And I am quite surprised to hear this from the Leader of the New Democratic Party.

• (2130)

[*English*]

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I planned to speak directly to the text of my remarks, but I think I owe the House an explanation for the encounter earlier this evening. Spontaneously I wanted to give the hon. member for Saskatoon East (Mr. Ogle) extra time, but as I listened to and reflected upon his speech, I remembered his speech last Thursday when he launched into a personal attack on an hon. member of the House. He compared the member to Pontius Pilate, but tonight he talked about compassion and the good Samaritan. We are supposed to give him extra time when he assassinates people in character one day and talks about compassion on another day.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Friesen: I was present all afternoon for the debate. I heard the hon. Leader of the New Democratic Party (Mr. Broadbent) make his speech. I enjoyed his speech, I thought it was a good one, it was well presented. But I did not agree with everything he said. When his 45 minutes had run out he needed extra time and no one objected.

Mr. Knowles: It was 30 minutes, not 45.

Mr. Friesen: Yes, thirty minutes, but no one objected to giving him extra time.

Miss Jewett: Are you apologizing?

Mr. Friesen: Then the hon. member for Saskatoon East wanted extra time. The two members of the NDP who were entitled to speak in this debate wanted extra time.

Miss Jewett: Why don't you read the dictionary?

Mr. Friesen: When I protect the right to speak of other hon. members of the House, the hon. member for New Westminster-Coquitlam (Miss Jewett) calls me Benito Mussolini.

Some hon. Members: Shame!

Mr. Friesen: The cheapest retreat of members of that party is to talk fascism when anyone else does not share their point of view. I know the good people of New Westminster-Coquitlam will be interested in the kind of retreat their member goes into if someone disagrees with her. It seems to me we face the old adage—members of the NDP love humanity; it is people they cannot stand.

Some hon. Members: Oh, oh!

Mr. Friesen: I hope Your Honour gives me extra time because hon. members of the NDP are interrupting me.

I enjoyed the speech of the hon. Leader of the New Democratic Party. One phrase he used captured my attention because it graphically described what is going on in El Salvador. He said that terrorism is pervasive. I think all of us would agree with him on that assessment. It reminded me of a quotation I read a few days ago in a book entitled "The Terror Network" by Claire Sterling. She quoted Lenin as having said that the purpose of terror is to terrorize. It does not matter whether it is the left or the right, both sides do it. It is no better if the left does it or the right does it; it is the same. There is no morality in terror regardless of what side it comes from.

Also I was reminded of the statement of Che Guevara not too long before he died. He was quoted at the Tricontinental Conference in Havana in 1966 as saying:

> We must above all keep our hatred alive and fan it to paroxysm. Hate is a factor of struggle, intransigent hate of the enemy, hate that can push a human being beyond his natural limits and make him a cold, violent, selective, and effective killing-machine.

This was quoted in the house organ of the Red Brigade of Italy in July, 1978. Obviously it was well learned. I am not taking sides in this. Regardless of whether it is the right or the left that does it, it is wrong. The extremists on both sides in El Salvador have learned how to fulfil the wishes of Che Guevara very well. It does not matter who is doing it.

The missing ingredient in the international debate on this subject is political disinterestedness. It does not matter to whom one listens. It does not matter what speech one hears. It is in defence of one side or the other. Everyone has an axe to grind. Everyone takes sides with one or the other of the protagonists.

I listened to the hon. Leader of the NDP today when he supported the revolutionary front which is calling for a negotiated settlement—they are the good guys. Then I heard the Secretary of State for External Affairs (Mr. MacGuigan) supporting Duarte and his call for elections—they are the good guys. It reminded me of a grade B 1952 western where the good guys wore the white hats and the bad guys wore the black hats, but it depended upon who was speaking who wore what hat. The trouble is that the world community has divided itself into two opposing camps.

Mr. MacGuigan: It is three.

Mr. Friesen: All right, it is three. Nothing can be gained any longer because there is no political disinterestedness.

When we have taken sides like this, the only certain thing is that there is one loser—the ordinary, common people of El Salvador. They are the losers. The left wants to paint the revolution there as a peasants' revolt, as a mass popular uprising against the rightist regime of Duarte. The right wants to paint that situation as a democratic agrarian reform movement, ready to restore all rights to the peasants. The peasants are squeezed in the middle between those two extreme protagonists. In terms of foreign aid, this unavoidably determines the level, the kind and the destination of foreign aid. Depending upon whose side one is on, those who favour Duarte will ensure that he gets military equipment, those who favour the revolutionaries will ensure they get the equipment they need, but the peasants will not get the equipment they need.

It comes to the bottom line. In all too many of these cases, government to government aid simply does not work. There are at least two reasons for this. One is that it is determined by people who have axes to grind. They have a motive, they have a reason tied to the aid program. As the Prime Minister said yesterday, it is in our self interest to give aid. The reason then is not that the people need it; it is that we will suffer if we do not give it. This is not the best of all motives in the world. We have an axe to grind. The simple truth is that donors in the northern hemisphere really cannot know or understand the needs of those people.

The hon. leader of the NDP went on a two-week tour of Latin American countries. I give him full points for that, but there is no way that someone from Canada can spend two weeks down there and expect to meet the people at their level. By the time the lists of whom he wants to see have been laundered—they have gone through so many checks to ensure that only the right people meet him—the people who are suffering the most are never heard from. It is not the fault of the leader of the NDP; it would have happened to anyone. Those of us who are designing aid programs in this country simply cannot know or understand how to meet the needs of the people in receiving countries.

● (2140)

The other half of the equation is that the receivers have their own bureaucratic programs to fulfil if it is a government to government operation. Every country has its own bureaucracy. I am sure that if we looked just a little more closely at the bureaucracy in El Salvador we would find that that government has vested interests in the kinds of aid programs which are given to it, which do not necessarily meet the needs of the people. Have we not learned that fact within Canada? Do you not think that what goes on in El Salvador also goes on in Canada? All countries have their bureaucratic games. Therefore, for aid to be effective, it must be people to people. As other speakers have said, that means the governments on both ends are avoided and the work is done through non-governmental organizations, such as private agencies, voluntary agencies and charitable organizations in Canada which have gone to the receiver country ahead of time and have become one with the people. The people from these agencies know what the needs are. They show compassion at the grass roots level and not at a distance of 2,000 or 3,000 miles. They are people who are willing to drink the contaminated water along with the people they are there to serve.

When non-governmental organizations get into the act, we can rest assured that aid will go to the people who need it most. There will be no filtering off to meet the backsheesh desires of government officials. It will not be filtered through graft, but it will be from the people in the homeland who care to the people in the receiver land who care.

The second reason why government to government aid does not work is shown in the 1980 report of "World Military and Social Expenditures, 1980," by Ruth Leger Sivard. I would like to read to you, Mr. Speaker, some of the statistics which come from that 1980 report. Using Canada as a base for comparison, I wish to point out that in 1977, which I believe was the year used for this report, Canada spent 2 per cent of its gross national product on military expenditures and at the same time spent 5.5 per cent on health care.

I would now like to give some figures for the government of Peru, which is a rightist regime. In 1977 the government of Peru spent 3 per cent of its gross national product on military expenditures and 1.1 per cent on health programs. In Cuba, in 1977, 6 per cent of that country's gross national product was expended on the military while 4.3 per cent was spent on health programs.

The next figures I would like to cite are for Tanzania, where the life expectancy is 51 years. In 1977 Tanzania, whose president is a great buddy of our Prime Minister (Mr. Trudeau), spent 4 per cent of its gross national product on military expenditures and 2 per cent on health care.

Using Canada as a base, do you not think that there is a violent wrenching of priorities in these countries, to which we must address ourselves? We ought to take a look at what is happening with regard to the radical priority differences which exist in the countries to which we give aid and make loans. It is hypocritical for us to spend nearly three times as much on health as on the military and not expect Third World countries to do the same. That does not make any sense. Maybe that radical problem ought to be addressed. It seems to me that we are relieving those governments of the responsibility of spending money on health care so that they can spend it on the military. That also makes no sense. This matter must be addressed.

Perhaps there should be a second recommendation. On the one hand we ought to cut off government to government aid and work only through non-governmental organizations. On the other hand maybe we ought to have the UN establish a benchmark of a "reasonable limit" which Third World countries can adopt. Every country will have some kind of military spending. A reasonable limit which that country is entitled to spend on military expenditures ought to be established. But if the country spends beyond that limit, it should no longer receive foreign aid from our government, especially if health services are denied to its people while military spending escalates.

We cannot think of El Salvador, or any other Third World country, and the wrenching agony under which they are living, and leave our emotions behind. Nor can we leave our reason behind. We must approach this issue with some kind of understanding. We must demand some kind of commitment from those governments which will honour the values which are important to us, that is, human values.

The second point I wish to raise in the few minutes which I have left to me is the following. We have been speaking in circuitous terms of the new world economic order. But there is another new world order on which UNESCO is working, and that is a new world information order. Mr. Speaker, that is even more terrifying than the new world economic order, since the new world information order is based upon the recommendations of the McBride commission which worked mostly with Third World and eastern bloc countries. That commission has come out with recommendations which have the effect of calling for information agencies in each of the countries of the world. That in itself appears innocuous until it is realized that these information agencies will be the conduit, the funnel, through which all news agencies in each country will receive its news. As one newsman described the situation to me today if the news agency provides a piece of information, for example regarding a UNESCO report, to a reporter, or to UPI, that information must be accepted holus bolus. If that reporter wants to phone back to UNESCO headquarters or to another country to obtain more information, or contrary information, that is not allowed.

I come back to where I started, Mr. Speaker. It does not matter if it is the right or the left, both are attracted to the new world information order. Once information is controlled by an information agency in any country of the world, democracy is doomed. Freedom rests on information. If it is a rightist regime, as exists in Panama, or if it a leftist regime, as exists in Allende's Chile, it makes no difference. They both have the same goal—controlling information so that power can be consolidated.

The journalist with whom I spoke today told me of a friend of his in Panama who wished to attend a radio broadcasters' conference. He called to inform a friend that he could not attend the conference because the police, the military, had come to his studio and smashed his equipment. They put him on the first plane leaving the country, the destination was of no consequence. At the same time the journalist told me of a friend of his who owns a chain of radio stations in Chile. During the days of Allende's regime he gave a radio editorial which mildly criticized Allende. He drove home at seven o'clock that night. On the street in front of his house he saw jeeps, military vehicles, machine guns in place in the yard with soldiers camped there. They were there for 30 days. Did that owner of the radio station tone down his criticism of Allende? I think he did.

● (2150)

The Leader of the New Democratic Party said that terrorism is everywhere. If we allow the recommendations—

The Acting Speaker (Mr. Ethier): Order, please, I am sorry, but I have to interrupt the hon. gentleman. The hon. member for Selkirk-Interlake (Mr. Sargeant).

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I must admit I was a little suprised by the self-righteousness and phony piety expressed by the last speaker. He is obviously a little sensitive at having his "right-wingedness" thrown in his face. This comes from a member of a party which, for the last week, has heckled the leader of my party simply because while on a mission of some importance, a mission which we are debating today, he happened to stop in Cuba. I might point out to members of the party to my right that Cuba is one of the major players in that region.

Mr. Gamble: You are right.

Mr. Sargeant: In opening my comments tonight, Mr. Speaker, I had planned to say that I am pleased to participate in this debate, but after spending most of yesterday preparing a speech that I was not able to give last night, and after spending the better part of today revising that speech and only having about eight or nine minutes available, I am a little disappointed. But as my friend, the hon. member for New Westminster-Coquitlam (Miss Jewett) suggested, perhaps I should save the speech and if I am fortunate enough to stay in this game, in another ten years we might have another opportunity to debate external affairs in this House.

Mr. Gamble: The speech will be the same ten years from now.

Mr. Sargeant: Unfortunately, if members of the party to my right, or even the government opposite, is still ruling, I am afraid I will need the same kind of speech.

Mr. Breau: You won't be here.

Mr. Sargeant: Don't bet on it. I had planned to expand my comments to deal with the arms race, disarmament, and how these methods affect the Third World. I had planned to discuss the absurdity of a world that would spend $600 million on weapons of war while 1 billion or more people starve or do not have an adequate standard of living.

I wanted to expand on the ludicrous situation in which we find ourselves where the major powers maintain the capability of destroying the world some 14 or 15 times over, yet they want to add more nuclear weapons—to be able to destroy the world more than 14 or 15 times over. Surely once is too often. Unfortunately, in the few minutes remaining to me, I cannot get into that question.

Let me direct a few comments to how the arms race affects the Third World and perhaps a few comments to the way that Canada is part of that game, as was pointed out by the hon. member for Saskatoon East (Mr. Ogle) in his comments earlier this evening.

I was struck by the comments of the Prime Minister (Mr. Trudeau) yesterday when he expressed concern for the 800 million or so citizens of this earth who barely manage to stay

alive. The arms race, of which Canada is very much a part, has played an enormous role in this. Let us examine some of the reasons for this, Mr. Speaker.

Throughout the seventies, Third World military spending increased faster than the GNP. Today it represents over $100 billion in arms purchases—75 per cent of the world arms trade. This has led to the unfortunate and bizarre situation where governments, already badly in debt, have squandered precious foreign exchange on sophisticated weapons systems while neglecting the basic needs of their people.

Another reason is that the extraordinarily large amounts spent on arms by the developed countries—and increasing in the latest U.S. budget—has made it impossible for any of them to achieve the goal of 0.7 per cent of GNP for aid money, resulting in incredible, unmet, human needs in the Third World.

Yesterday the Prime Minister mentioned that the money required to provide adequate food, water, education, health and housing for everyone in the world has been estimated at some $17 billion per year. That is a reasonable amount of money, Mr. Speaker, but it is less than the world spends on arms in two weeks.

In yet another way the world arms race has already affected the Third World, and that is by fostering hostilities among Third World nations. Frank Barnaby of the Stockholm International Peace Research Institute has said:

> Since 1945 there have been 133 wars involving the territory of more than 70 countries and the armed forces of more than 80 states... Almost all of these wars took place in the Third World. The bulk of the weapons used in them have been supplied—through the arms trade—by the industrialized countries.

These wars have killed some 30 million people. We have failed miserably to maintain peace and security in our world, Mr. Speaker. We have allowed the insane growth of the nuclear complex. We have widened the gap between the rich and the poor nations of the world.

Canada's role in all this, I am sorry to say, has not been insignificant. We have encouraged Canadian participation in the manufacture of nuclear weapons. We have contributed to the proliferation of nuclear weaponry through our sales of nuclear technology. We are the ninth largest arms trader in the world. We sell some $30 million annually in military commodities to Third World countries. The Prime Minister stands in this House and talks proudly of his government's role in the Third World and in disarmament. The hypocrisy of this is astounding.

If the Prime Minister is sincere—if he wants to make believers of the many Canadians who have looked on with mounting skepticism over the years as he says one thing about foreign policy and then does something quite different—then let us see some independent thought and some independent action. Let us cut the ties to the aprons of Alexander Haig and Richard Allen. Let us show considerable concern at the alarming increase in U.S. military spending as well as concern at Soviet spending. Let us not acquiesce, or too quickly agree that the world needs more nuclear weapons, as we did in December 1979 with the LRTNF program in Europe.

Let us see some action, now, on the move to a goal of 0.7 per cent of GNP for foreign aid. This pap that the Secretary of State for External Affairs (Mr. MacGuigan) fed us this afternoon about 1990 as the target for that percentage, is another example of no action.

Kurt Waldheim has called for all nations to devote 0.1 per cent of their defence spending for peace education and peace research. Mr. Speaker, 0.1 per cent is peanuts. If the Prime Minister was sincere yesterday, if peace is important enough to him—and Lord knows it should be—why not spend 1 per cent or even 10 per cent on peace?

Canada has had an excellent reputation in the past as a creative and independent participant in the pursuit of peace. We could do so again. But it will demand a lot of political will—the same will the Prime Minister spoke of yesterday—and a lot of guts. I am not sure that this government has that will, or the guts. But I fear that our time is getting short. If something is not done soon to turn around the insanity, we may have no world left to worry about.

In closing, Mr. Speaker, permit me to use a couple of quotations. The first occurred at a meeting of the American Society of Newspaper Editors in Washington in 1953. I am sure that a number of members of the House will have heard it before. Addressing that meeting, President Eisenhower said:

> Every gun that is made, every warship launched, every rocket fired, signifies—in the final sense—a theft from those who are cold and are not clothed.

The Acting Speaker (Mr. Ethier): Order, please. I regret I have to interrupt the hon. member.

[*Translation*]

Order, please. It being 10 p.m., it is my duty to inform the House that, pursuant to Standing Order 58(11), proceedings on the motion have expired.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—SUGGESTED ADOPTION OF NEW INDEX AND PROVISION OF ENERGY SUPPLEMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, earlier this week I raised a question in the House directed to the acting minister of veterans affairs suggesting the adoption of a new index and provision of an energy supplement for pensioners because of the inflation rate of 12.5 per cent and the disastrous effects on the Canadian economy of the National Energy Program. I also asked the minister a supplementary question. As reported in *Hansard* at page 7554 for February 23, 1981, it reads:

The government energy pricing policy and the budget have hit particularly hard at recipients of veterans pensions. Would the minister consider an energy supplement to pension payments?

To which the minister answered:

This will be taken into consideration, Madam Speaker.

Perhaps we will have an answer tonight. This also ties in to another problem concerning veterans affairs, concerning a matter which has been raised time and time again. That is the need for immediate legislation to eliminate the phasing in of a section of Bill C-40, thereby making all veterans' widows eligible now for an increase in their pension.

I wish to put on the record an example of what the government is proposing for some widows. In 1986, the government proposed that some widows receive an additional increase of $25.35 and those with some dependants receive $1.52. I am sure that everyone in the House realizes that by 1986 that amount will be just the same as handing somebody nothing. We want all the phasing in to become effective immediately. I hope the parliamentary secretary will announce tonight that a piece of legislation dealing with the veterans' widows will be brought in before we recess for the summer. I hope that the parliamentary secretary will pass on to the acting minister the suggestion that he read the June issue of the *Legion* which has an excellent article on the veterans' widows and the problems they are experiencing.

This ties in with another serious problem we have within veterans affairs, a matter I raised recently. It concerns the delay in processing pension applications. It is taking from one to five years to process veterans' pension applications in Canada. I have described this a number of times as nothing but a national disgrace. In the United States they process veterans' pension applications in 60 to 97 days. I raised this matter on June 9, 1981. The answers I received came from the Parliamentary Secretary to the Minister of State for Mines (Mr. Masters). I do not know how he got into the act. However, his answer to me with regard to the delay in the processing of the applications, as found on page 10443 of *Hansard* reads:

I would like to see the adjudication time reduced. However, I would not like to see it reduced at the expense of the veteran.

I found that to be a very strange sentence. The death rate is very high among veterans waiting for pension applications to be processed. The parliamentary secretary went on to say:

Steps have to be taken to improve the pension system and to curtail the delays in adjudication.

We have seen no evidence at all of any speeding up in this process. The parliamentary secretary also said that the veterans' organization support the present legislation and they do not want to see things speeded up too much. That statement is incorrect.

I would refer the parliamentary secretary and the acting minister to the submission to the House of Commons Standing Committee on Veterans Affairs presented by the Royal Canadian Legion a couple of weeks ago. There is a section in that submission on the delays of pension adjudications. On page 4 we find:

The veteran population is dismayed by the delays which persist in the processing of pension claims and ancillary benefits.

They do not say anything about supporting what is going on right now and they do not want to see any speed. They never made any such statement. In the submission at page 7, we find:

Other than to again put forward the thought of cancelling the move of the Canadian Pension Commission to Charlottetown, the Royal Canadian Legion can offer no solution to resolve this question of delays which quite obviously is related to the staffing situation. However, the government surely has to do something quite quickly to correct this issue!

That is why I am hoping we have something concrete from the parliamentary secretary tonight in regard to the delays in processing of pension applications, or some kind of energy credit to veterans to assist them.

● (2205)

In addition, Mr. Speaker, the Auditor General has run into problems in relation to the move of DVA to Prince Edward Island, and he points out:

—that less than 20 per cent of Headquarters personnel, on strength at the time of the relocation announcement, was planning to move to Prince Edward Island.

The Auditor General went on to say, in an audit he did recently into the Veterans Affairs Department:

Notwithstanding intentions to relocate with a minimum of disruption... Those not wishing to relocate have been given priority status by the Public Service Commission in their search for other employment in the National Capital Region.

The chairman of the Pension Commission has stated that this is causing him no end of problems with staff quitting and refusing to move. We also know that many of the veterans' service documents are in the archives and we want to know how—

The Acting Speaker (Mr. Ethier): Order, please.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I shall gladly try to answer the questions asked by the hon. member, but I must still restrict myself to the question he put on February 23. I am all the more happy as he raised all these questions quite coolly. He is often very aggressive, but it is interesting all the same to note that some members are bent on safeguarding the interests of veterans. Of course, we all do it in our own fashion. The hon. member may be more aggressive than I am, but not every member is blessed with a cheerful disposition like mine.

[*English*]

Mr. Speaker, in the question raised by the hon. member on February 23 he touched upon only one point, the question of indexing veterans' benefits to the rise in the real cost of living. This is the question I will try to answer.

For many years now all veterans' benefits awarded under the Pension Act and the War Veterans Allowance Act have been tied to the rise in the consumer price index. The consumer price index system of changing rates is used almost univer-

sally in government and in the private sector and has evolved by considering many factors including housing, food and energy costs. Of course, it is not easy to establish the exact increase in the cost of living. The present government shares the member's desire that veterans and their families not be adversely affected by inflation and has embodied in veterans' legislation some safeguards against inflation.

Disability pension rates are adjusted from time to time and the 1975 adjustment brought the rates into line with a formula which was established in 1973. In addition, the rates were adjusted last January 1 and increased by 9.7 per cent, thus bringing the amount payable to the unmarried disabled pensioner whose disability is assessed at 100 per cent to $811 per month or $9,737 per year, income tax free. To this you can add 25 per cent for the wife, 13 per cent for the first child and 9.5 per cent for the second child, and so on.

Mr. Knowles: How many hundred percenters are there?

Mr. Laniel: War veterans' allowances are adjusted four times a year automatically, thus ensuring that veterans and their families receive as quickly as possible any increases due to the rise in the CPI.

The government moved quickly last spring and introduced legislation that corrected some of the inequities contained in the War Veterans Allowance Act, and provided increased benefits to recipients of WVA who are under the age of 65.

• (2210)

Bill C-40 contained some $106 million in addition to what was offered by the previous Conservative government in Bill C-28. It is generally acknowledged that Canada has some of the best legislation as far as veterans affairs are concerned.

ENERGY—POSSIBILITY OF REACHING AGREEMENT WITH ALBERTA

Mr. Jack Shields (Athabasca): Mr. Speaker, I refer the House to page 9337 of *Hansard* for April 21 when I asked a question of the Minister of Energy, Mines and Resources (Mr. Lalonde). Basically I asked the minister to accept his responsibility and to recognize that an energy agreement must be in place by June 30 or the equivalent of $20 billion to $25 billion of private capital ready to be invested in this country in the form of heavy oil and tar sands plants would go down the drain. The minister replied as follows:

—since last November we on this side of the House have indicated that we were eager to reach an agreement as soon as possible and that we were willing to show flexibility. Obviously any agreement would imply an equivalent amount of flexibility on the other side—

I would like to look for a moment at the flexibility which has been shown on the other side. The price of Canadian oil has risen by $8.55 per barrel at the refinery since last November. Albertans received only 43 cents of that price increase, or 5 per cent. The Liberal government here in Ottawa received $7.55, over 90 per cent.

Last July Alberta proposed that the wellhead price of oil be raised to $19.25 a barrel by June of this year. Instead, by order of the sitting Liberal government the price of oil today is $27.05 a barrel at the refinery and only $17.75 at the wellhead. What is the difference? The difference is federal taxes.

The difference is also thousands of jobs lost in Canada and hundreds of millions of dollars lost to foreign countries. The list of irrational economic costs goes on and on. The difference is also human. We now have political polarization appearing in western Canada. There is bitterness, there is anger, there is frustration, and there is even rage.

Meanwhile, in Ontario and Quebec the Liberals have a new chain of gasoline stations, all sporting the Petro-Canada sign. They have broken election promises to keep oil prices low, a promise whose breaking they blame on Alberta.

In Ontario gasoline sells for approximately $1.66 a gallon. Ottawa takes 56 cents of that, Ontario takes 25 cents and Alberta approximately 22 cents. But it is Alberta's fault! One might think that the Minister of Energy, Mines and Resources would get a lot in return for raising energy prices so high and so quickly, faster than Alberta would have raised them. But has he?

Is exploration for oil in Canada expanding? No. Is production of oil in Canada increasing? No. Is development of synthetic oil plants proceeding? No. Is national unity strengthened? No. What then is the minister achieving? He is shifting our energy search from Alberta to the Canadian Arctic. He is shifting our energy search from Alberta to the United States. He is raising energy prices through non-productive taxation, most of which goes to foreign countries. What an excellent policy!

What was offered by the provincial government of Alberta last July? Let us remember that what was offered was rejected. Let me put what was offered on the record. Alberta offered to raise Canadian oil pices at the wellhead in stages to 75 per cent of the North American price by 1984. Alberta offered to price existing natural gas at 15 per cent below relatively cheap Canadian oil. Alberta also offered to price new natural gas at 35 per cent below the price of Canadian oil for the first five years. Alberta also agreed to invest $7 billion in three new oil sands plants to assure at least 51 per cent Canadian ownership and to pursue a policy of continuous oil sands development. Alberta also offered to accept significantly lower royalty rates, particularly on the new oil sands plants, so that this would allow the Ottawa Liberal government to move in and impose extra billions of dollars in taxes on these plants. Alberta also offered to finance a natural gas pipeline to Atlantic Canada and to support other energy projects in Canada. They offered to provide $2 billion in grants for upgrading transportation in western Canada, particularly in B.C. and Manitoba where transportation is so vital for our agricultural industry. Maybe that was not the best offer in the world but it was certainly good enough to work with. The Liberals announced instead their unilateral national energy policy and the rest is really sad history.

• (2215)

Now the minister of Energy, Mines and Resources is meeting with the minister of energy for Alberta on June 29—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I suppose the first thing to say about the hon. member's statement is that he errs in stating that back in April, when he first raised his question, he referred to the date of June 30. In fact, if he looks at page 9337 of *Hansard*, he referred to June 1, and he referred to it repeatedly as a deadline for cancellation of the new oil sands plants. Well, of course, June 1 has come and gone and the sponsors of the plants have not cancelled their plans to construct them.

I suppose that among the various allegations and curious statements which the hon. member has made this evening, his principal purpose is to draw attention to the state of the Alsands and Cold Lake projects. If that is indeed his purpose, I should like to put on the record a few facts for the benefit of his constituents in particular who perhaps are unaware of the actual situation.

The hon. member did quote accurately the position of the minister in seeking with flexibility an agreement as soon as possible. That is against the background of the history of the initiative on the part of the federal government to ensure that oil sands and heavy oil projects take place. I have in mind particularly the initiative of the federal government in the Syncrude project which would not have occurred without the national government taking a determined lead.

As for the National Energy Program, there is obvious emphasis on oil sands and heavy oil development through such measures as the maintenance of the depletion allowance, provision of special tax incentives for heavy oil upgrading plants, and the application of reference prices at or close to international prices to encourage the development of these resources.

I should like to re-emphasize the efforts of the federal government in the last year to reach an accord with Alberta on the pricing of oil and gas and, in particular, on the basis for getting new oil sands projects under way. Throughout these discussions we have been willing to show great flexibility. In October, 1980, when it became evidence that an over-all pricing agreement with Alberta would be impossible at an early date, the minister endeavoured to guarantee the future of the oil sands plants. In a meeting with the Alberta minister of energy, the federal Minister of Energy, Mines and Resources (Mr. Lalonde) offered a price of $38 a barrel for non-conventional oil, and $30 for enhanced recovery oil which would be escalated annually with inflation. When Alberta was not prepared to negotiate, the federal government then offered to loan $40 million to Imperial Oil so that the Cold Lake project would not be abandoned. On another occasion last June the minister—

The Acting Speaker (Mr. Ethier): Order, please.

• (2220)

ENERGY—NEGOTIATIONS WITH PROVINCE OF ALBERTA ON PRICING AGREEMENT

Mr. Peter Elzinga (Pembina): Mr. Speaker, it has been over seven months since the National Energy Program was bestowed upon the nation by the federal government in Ottawa. The oil industry and the producing provinces responded to it at the time with consternation, outrage and alarm, but the federal Minister of Energy, Mines and Resources (Mr. Lalonde) confidentially reassured us that he had come to expect that kind of emotional reaction from the provinces and the oil industry. He said that very soon both the industry and the provinces would come to accept the new arrangements and that everything would return to normal. Now let us see what has happened since he gave us the National Energy Program. What does he consider normal? Here are a few symptoms.

First, oil and gas exploration activity in the western provinces has been reduced by more than half. Three thousand of the 20,000 men employed in the trade have been laid off by mid-May and another 6,000 are expected to be laid off by mid-summer. Where 370 rigs were drilling last year, 177 are drilling this year; 131 rigs have left the country. In short, an industry upon which both the economy and security of the country depend has been thrust into a depression.

Second, development of the heavy oil and tar sands plants has been brought to a hald, although there is enough synthetic oil in Alberta to meet the needs of Canada for 300 years at present rates of production.

Third, Alberta has reduced its supply of crude oil to central Canada and will cut back the supply by 15 per cent by the end of September.

Fourth, nearly $1.5 billion is being sent to Belgium to pay for the Petrofina Oil Company as a federal gift to Petro-Canada, an expenditure which will directly raise the price of gasoline and at the same time will not add a single barrel of oil to Canada's supply.

Fifth, per capita consumption of oil in Canada continues to rise because the National Energy Program holds Canadian prices far below prices charged in nearly all countries in the western world, in fact at about one-third the price charged in Great Britain which is self-sufficient in oil because of the North Sea developments. In the United States, by contrast, higher prices have had the effect of reducing imports by 24 per cent in a single year and cutting consumption by two million barrels a day. Meanwhile American cars stream over the border to fill up on Canada's cut rate gasoline.

Sixth, heavy oil wells in the Lloydminster area are shutting down because the National Energy Program does not provide enough money to keep them operating.

Seventh, unemployment stalks Ontario industry which is being deprived of machinery and equipment orders due to the cutback in Alberta conventional oil and gas exploration and the arrest of tar sands development.

Eighth, British Columbia and Saskatchewan have defied the federal government and refused to pay the tax it is attempting to levy on natural gas production. Nova Scotia and Newfoundland have announced they will not recognize federal laws leasing oil rights on offshore lands, a situation that could conceivably see both levels of government leasing the same properties. In the meantime, Alberta has set up three gas wells of its own and claimed the right to export gas to the United States without federal interference and the Alberta court of appeal has unanimously upheld the position of the province.

Ninth, the United States government is considering triggering the provisions of the United States mineral lands leasing act against Canadian oil and mining companies operating in the United States as a retaliation against the National Energy Program Canadianization measures, a move which would maim or bankrupt hundreds of Canadian resource companies operating in the United States.

In other words, the National Energy Program after seven months has managed to cripple the Canadian exploration industry and to drive it out of the country, to increase Canadian oil consumption, to disrupt the supply of existing oil, to ship millions upon millions of dollars overseas, to jeopardize relations with the Americans, to expose us far more to dependence on Arab oil, to halt development of the tar sands, to throw federal-provincial relations into chaos bordering on legal civil war, and to find no oil. All that in seven months!

This also means, moreover, that the reassurances of the federal minister of energy that everything would return to normal have turned out to be dead wrong. Apparently he had no idea whatever of the damage he was about to wreak upon his country. It was a case of too much power exercised in both arrogance and ignorance with calamitous consequence to the industry and the nation whose ill fortune it was to have been left in his hands. That is what history will write beneath the name of the present Minister of Energy, Mines and Resources.

• (2225)

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member opposite, in raising the matter to which he has referred this evening proposed, as I recall, that the Petro-Canada team which negotiated the acquisition of Petrofina should additionally be charged with the negotiations with Alberta. Since there is great confusion on the Conservative side of the House with regard to their attitude toward Petro-Canada, I assume that the hon. member from Alberta either meant to make a joke—a very small joke indeed—or else he meant to make a serious proposition.

If we are to take it as a serious proposition that he would have the Petro-Canada team negotiate with the government of Alberta, then that is an interesting proposition and one which I assume he will want to advocate across his native province. On the other hand, if it is a frivolous suggestion, then it seems to me that much of what the hon. member said tonight, in that cacophony of confusion and contradiction, should be treated as equally frivolous and hardly worthy of reply.

I suggest to the hon. member that he look again at some of his so-called facts which he attempted to enumerate and consider that, on the contrary, the progress which is being made in the development of the Canadian petroleum industry, and the new endeavours which are being undertaken in the Canada lands, are indicative of the commitment of the industry and the private sector to ensure yet more rapid development of that very prosperous sector of our economy.

I should suggest, too, that the hon. member take a look at the progress which is being made, and remarkably swift progress it is, in the Canadianization of the industry, a policy which has wide support across our country. The hon. member opposite might also wish to consider that the possibilities of some agreement with Alberta have been enhanced by the willingness on both sides in recent discussions to show a degree of flexibility and mutual forebearance, which to my mind is encouraging and which hardly justifies the doom and gloom in which the hon. member opposite has indulged.

The reference to the—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 17, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

LABOUR RELATIONS

AIRLINE TECHNICIANS—CANADIAN LABOUR RELATIONS BOARD DECISION—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of a recent decision by the Canadian Labour Relations Board which once again denies 243 Air Canada technicians the right to form their own collective bargaining unit, independent of the International Union of Machinists and Aerospace Workers, and the biased, improper and indefensible reasons given for the CLRB ruling, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the Minister of Labour shall overrule and reverse the unacceptable decision of the CLRB which denies Canadian airline technicians the right to free association, as guaranteed in the Canadian Bill of Rights, and instead binds them to membership in a large international trade union.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

METHODS OF APPOINTMENT TO AND WITHIN ADMINISTRATION—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, in view of reported changes in the administration chart of the House of Commons without apparent approval of the Members' Services Committee or the bureau of internal economy, and in view of reported House of Commons appointments and promotions without competition, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That members of the House of Commons affirm most strongly that they are masters of their own House by the evolution of the parliamentary system, and we respectfully request Madam Speaker that no additional changes in administration and senior appointments in the House of Commons will be made, such as the very recent appointment of Robert Desramaux as director of support services, without competition and without sanction of the Members' Services committee, and that particularly no such changes be made while the House is in summer recess by sneaking them in through the back door.

Madam Speaker: I am at a loss to know what to do with this motion. I think I can assure the House that some of the facts are not well founded. However, does the House agree to such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

SERVICES AND FACILITIES AT BRANDON, MAN.—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I rise to move a motion under Standing Order 43. In view of the fact that the new PWA jet service into western Manitoba, provided under the Mazankowski amendment, has been a great success and in spite of this the government is still displaying a lack of confidence in the service by delaying the upgrading of infrastructure until the service has proved itself over a two-year period, and because of the threat to safety inherent in this delay, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the government proceed immediately with its promise to upgrade services at the Brandon air terminal to ensure flight safety and the quality of service essential to meeting the air transportation needs of western Manitoba and eastern Saskatchewan.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

SUPPORT FOR GOVERNMENT POLICIES—MOTION UNDER S.O. 43

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of the clamour of right wing economists in the Conservative party and more recently the Economic Council of Canada, in pressing for excessive government deregulation, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

S.O. 43

That this House supports an activist government that will intervene in the economy in the best interests of Canadian industry and Canadian jobs.

Some hon. Members: Oh, oh!

* * *

CANADA LABOUR CODE

SUGGESTED APPLICATION TO MARINE WORKERS—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43 I wish to present a motion for which I hope there will be unanimous consent. In view of the fact that contract negotiations between shipowners and workers have broken off on the Great Lakes and the Seaway because of unresolved safety issues, and since the federal government could resolve this dispute by making safety equipment and procedures mandatory, for example by requiring ships to supply survival suits for the crews and requiring bilingual safety information, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

Recognizing that 11 seafarers have lost their lives since the signing of the last contract, this House calls upon the government to make safety equipment and procedures mandatory and to extend Part IV of the Canada Labour Code to marine workers so they have the same right as other Canadian workers to refuse dangerous working conditions.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CENSUS

REMUNERATION OF RURAL CENSUS TAKERS—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter causing deep-seated anger and resentment among a group of Canadians who feel abused by the very government they seek to serve. In view of the very wide disparity in the expenses incurred in the course of carrying out their duties by rural as opposed to city census takers, a disparity not adequately recognized in the contractual pay scale, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That the government, in consultation with a broad representation of rural census takers, undertake a complete reassessment of the formula used in determining the remuneration of rural census takers, particularly as applied to expenses such as car mileage reimbursement, telephone and other expenses not now adequately recognized.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

MANPOWER

FUNDING FOR WOMEN'S OUTREACH PROJECTS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, the Minister of Employment and Immigration stated in March that he "has given high priority to Outreach community service projects which service women". As this high priority has resulted in women's Outreach receiving a mere 12.8 per cent of total Outreach expenditures in the past year, an increase of 1 per cent since 1977-78, and as all four Ontario women's Outreach projects have now been forced to sign three-month contracts and have had no budget increases since April 1, 1980, and since today there are indications that all non-government Outreach projects will lose their funding by the end of the summer, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House calls upon the Minister of Employment and Immigration to live up to his commitments to women, not only by increasing the proportion of Outreach expenditures to women's projects, but also by extending their contracts so that effective long-term planning can be done.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL WHALING COMMISSION

SUGGESTED MORATORIUM ON KILLING OF WHALES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, this is a very non-controversial Standing Order 43 motion.

Some hon. Members: Oh, oh!

Mr. Rose: The International Whaling Commission meets in England next month. In 1979 Canada abstained from voting on a U.S. proposed ban on commercial whaling, and in 1980, even worse, Canada was the only non-whaling nation to vote against a similar U.S. proposal. Therefore I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That, since several species of great whales are on the verge of extinction due to overfishing by whaling nations and pirates alike, this House urge Canada's representative on the International Whaling Commission to vote for a total moratorium on commercial whaling until stocks have increased to the point where the future of great whales is no longer uncertain.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

FEDERAL-PROVINCIAL RELATIONS

CALL FOR APPOINTMENT OF FULL-TIME MINISTER—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Federal-provincial co-operative relations have reached a new low resulting in a significant impasse in co-operation and accord between the two levels of government in Canada. The next few years will require intensive federal-provincial discussions, negotiations, co-operation and accord in regard to economic, fiscal, social, legal and constitutional matters. As the Minister of Justice (Mr. Chrétien), with constitutional and other very heavy responsibilities, is overloaded, overworked, near exhaustion, and needs help, I therefore move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Prime Minister immediately appoint a full-time minister of federal-provincial relations with senior cabinet responsibilities to provide continuous and intensive leadership and direction to federal-provincial relations.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

EL SALVADOR—SUGGESTED ROLE FOR FEDERAL GOVERNMENT—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise under the provisions of Standing Order 43. Considering that many Central American states and, as was evident in yesterday's debate, leading spokespersons for both the Progressive Conservative and New Democratic parties favour a Canadian initiative in mediating a peaceful end to the civil war in El Salvador, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House instruct the government to take immediate steps to indicate that the Government of Canada would be willing to play a mediating role to bring about a peaceful solution in El Salvador.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

FISHERIES

GREAT SLAVE LAKE FISHING REGULATIONS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas it would appear that neither the Minister of Fisheries and Oceans (Mr. LeBlanc) nor the Minister of Indian Affairs and Northern Development (Mr. Munro) have learned anything at all from recent happenings involving the native fishery at Restigouche, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That both these ministers be condemned for making the exact same mistakes at Great Slave Lake where, according to a press release dated 15 June, issued by the Minister of Fisheries, local people have been denied entry to the fishery in contravention of long-standing traditions and laws.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

MEASURES TO HELP HOME OWNERS FACING INCREASED MORTGAGE PAYMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, in the absence of the minister in charge of CMHC I will direct my question to the Prime Minister. There will be about 500,000 mortgages coming due this year, many of them by June 30. For the two million people involved, the mortgage payments will increase to the equivalent of their food budgets. Since they face either forced sales or foreclosures by the banks, what hope does the Prime Minister have for these two million people?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Finance answered that question last week after his meeting with the bankers themselves, and he indicated that they would be prepared to forbear and not bring on foreclosure in such cases as those to which the hon. member refers.

SUPPORT FOR CO-OP PROJECTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, since first-time home buyers, most of them young people, do not have the capital required to buy homes at today's prices, especially in the greater Vancouver area, I ask the Prime Minister what additional support is the government proposing for such projects as co-op housing so that young families can afford homes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is encouraging to see that the hon. member opposite, perhaps alone in his party, is encouraging this government to take an activist and interventionist role in the area of private housing.

BANKS' PROFITS ON PROPERTY TAX COMPONENT OF MORTGAGE PAYMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I hope the Prime Minister believes in intervention in relation to the subject of my next question. In relation to the hundreds of thousands of mortgages held by banks, moneys accumulate for the property tax component on which the banks pay 3 per cent compared with 15 per cent, 16 per cent or 17 per cent on savings deposits. The banks are using that $1,000 or $2,000 at 3 per cent and making unconscionable profits. Will the government take action to make sure that the banks will not rip off the mortgagees and that the banks will pay comparable prices for that money, as they do for any other kind of saving?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure the Minister of Finance will be happy to see that he has the support of the hon. member for the representations he made to the banks last week, and I think this added argument will be drawn to their attention.

* * *

SMALL BUSINESS

TREATMENT BY BANKS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question is also directed to the Prime Minister. On Monday night a three-generation family firm in the heart of my riding, E. R. MacMaster and Sons, went out of business and locked its doors the next day, due directly to the high cost of short-term money. The bank called its loan.

I now ask that the Prime Minister undertake to call the Minister of Finance on his undertaking, to which the Prime Minister referred earlier in answer to my hon. friend, that the banks start to exercise some humane treatment in such situations as the one in my area to which I referred. Sixty-five households are now without breadwinners due to the calling of a bank loan at usurious rates of interest. Is the Prime Minister going to do something about that when the Minister of Finance comes back?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member realizes that the undertaking of the minister was particularly related to the problem of mortgages. The hon. member raises the question of small businesses. He has been reminded many times that there is a special bond available to small businesses which permits them to pay only about half of the going commercial rate of interest.

Mr. Nowlan: Madam Speaker, I hope the Prime Minister begins to talk to the Minister of Finance, wherever he is and whenever he comes back, because the bond to which the Prime Minister refers is for new businesses. I am talking about businesses which are typical of my area and of my province. I am talking about small businesses, many of them family firms which have always been able to operate successfully, but they just cannot carry these usurious, unconscionable interest rates.

REQUEST FOR TRIPARTITE CONFERENCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question to the Prime Minister is to ask whether, in view of the government's insane policy of double-digit inflation and double-digit interest rates, the Prime Minister will consider, when the Minister of Finance comes back, asking the Minister of Finance immediately to convene a meeting with ministers of finance from the provinces and bank officials so that these three components can get together and so that innocent small businessmen, farmers or mortgage holders will not be caught in the squeeze in which they are presently caught because of the fiscal policy of the government?

• (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member should read again the provisions concerning the small business development bond in the Income Tax Act. He would see that they apply not only to businesses wanting to expand, but also to those that are hard-pressed. The particular case to which he has referred falls in the latter category and could be considered in that context.

As concerns farmers, the Minister of Agriculture has mentioned on many occasions that the system of farm loans is very generous to the farmers. If there were an especially hard case, I would be happy to refer it to the banking association for special consideration.

* * *

[*English*]

EXTERNAL AFFAIRS

EL SALVADOR—COMMITMENT TO HOLDING OF DEMOCRATIC ELECTIONS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Secretary of State for External Affairs. In debate in this House yesterday the minister indicated that the government has confidence that the Duarte government in El Salvador has earned the right, to use his words, to our belief in their intention to carry through with democratic elections. Well, I have a series of photographs which clearly show security forces under the control of that government turning over to the death squad two individuals who were subsequently murdered.

Since this evidence was turned over to the Duarte government before Christmas, and since that government has not even begun an investigation into these murders involving its own security forces, what reason at all have we to believe in its commitment to democratic elections?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we are not familiar with those particular photographs, but not only do we not defend atrocities committed by any side in El Salvador, we strongly condemn them. In fact the situation, as the hon. member well knows, is a very difficult one. There is no perfect side or perfect group in that country. All we have said is that there is more hope for democracy in the long run through acceptance of the offer of the government, through President Duarte, for free elections, which he is prepared to negotiate with the opposition parties, than through any other way. One of the sources of our information and support is the Catholic church in El Salvador.

PROPOSAL TO MAKE POLITICAL PARTY PETITIONS MANDATORY

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister knows the government in El Salvador is not prepared to sit down and negotiate a peaceful settlement of that war, or to sit down with the Front to negotiate truly peaceful conditions which would provide a sensible, democratic election. If the minister does not know that, he knows nothing at all about what is going on in that country.

In that context I would like to ask a question concerning one of the ridiculous proposals that the Duarte government is putting forward. One of the government's proposals in El Salvador is a regulation requiring a new party, before it is registered on a ballot, to submit a petition bearing three thousand signatures. Since under current circumstances in El Salvador, signing a petition as a member of an opposition party is equivalent to signing your own death warrant, how can the minister conceivably accept a government which calls this a democratic process?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, it is not for the Leader of the New Democratic Party and I in the House of Commons of Canada to negotiate over the conditions of elections in El Salvador.

Some hon. Members: Hear, hear!

Mr. MacGuigan: However, I will say to him that President Duarte has offered to negotiate with the opposition parties, and he well knows Guillermo Ungo, as does the Leader of the Opposition. He has offered to negotiate with him the condition of the elections. I am surprised that the Leader of the New Democratic Party can so easily dismiss what is considered everywhere in the world to be the foundation of democracy: free elections.

Some hon. Members: Hear, hear!

• (1425)

Mr. Broadbent: Madam Speaker, I have rarely heard such sophistry. I talked to President Duarte—the minister did not—and he said to me what he said publicly.

Some hon. Members: Oh, oh!

Mr. Andre: What did he tell you?

Mr. Hees: Tell us about the election in Afghanistan.

Mr. Broadbent: Some people are interested in the truth in this situation. President Duarte at no time, either publicly or privately, said that he wanted to negotiate a peaceful solution with the Front. This is absolutely crucial if they are to have subsequent free elections. I repeat, the minister should know that.

POSITION TAKEN BY BAR ASSOCIATION

Mr. Edward Broadbent (Oshawa): In asking my last question of the minister I should like to point out that since the debate yesterday, according to news reports this morning 20 additional people have been murdered, decapitated by terrorist squads, and according to police reports it was by right-wing terrorist squads associated with the security forces. If the minister does not want to rely on my judgment—

Madam Speaker: I think the hon. member should just be about ready to ask a question.

Mr. Broadbent: I appreciate your point, Madam Speaker. I will come directly to the question. The bar association of El Salvador has recognized, in the presence of terrorism and in the absence of a free press, that a free election claim is a travesty. For this reason, the lawyers of El Salvador have refused to participate.

Some hon. Members: Question!

Mr. Broadbent: Considering this fact, why does the minister claim to have better knowledge about the conditions for democracy in El Salvador than the lawyers in its bar association?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, in his lengthy preamble the hon. Leader of the New Democratic Party has effectively obscured the issue by talking about negotiation. He is urging what he has urged consistently. What he urged before he went to El Salvador, and what he still urges, is that there be a negotiated settlement in advance of the election, which presumably would bring various parties into the government. This is certainly not what the government of El Salvador is offering. It is offering to negotiate the form and the means of the elections, with observers from the OAS and perhaps from other countries.

Mr. MacKay: How about Cuba?

Mr. MacGuigan: It has offered to negotiate that with the opposition parties. It seems that is a fair offer for free elections.

The hon. member talked about the bar association of El Salvador. What about the church in El Salvador, which is a standing witness to the happenings there—

Mr. Broadbent: I will tell you what the representatives of the churches said. I talked with them.

Mr. MacGuigan: —and the position of the acting archbishop? His position is that the best path to democracy at the present time is to allow free elections to take place as the junta proposes.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

EFFECT OF HIGH INTEREST RATES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Right Hon. Prime Minister. It returns to the economic policy of the government and the situation in Canada today as a result of high interest rates and of the total economic policy of the government. My question follows on questions directed to the Minister of Finance last week. It relates to the situation of many farmers and small businessmen, as reflected by high rates of bankruptcies and foreclosures. The real point of my question is to see whether or not the Prime Minister knows that within two or three months from now those high rates will be multiplied by a factor of four and that a vital section of our economy will be lost forever.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I would invite the hon. member to examine carefully the figures concerning businesses that go bankrupt in Canada. He is making alarmist comments which will not help to improve the situation. Last week, the Minister of Finance indicated that he and the Minister of State responsible for Small Businesses had had the opportunity to meet with representatives of Canadian banks and ask them, as we have said many times in the House, to give special consideration to some hard cases. This initiative has certainly been effective. As it was noted earlier, the small business development bond is aimed not only at businesses wanting to expand, but also at hard-pressed businesses.

Existing statutes contain provisions to help the farmers to obtain special interest rates as well as provisions to assist homeowners. We are going through a difficult period, but we are constantly reviewing the situation. If the Minister of Finance were to decide to take any further action, he would announce it at the proper time in this House.

• (1430)

[*English*]

SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is for the Prime Minister. While I respect the efforts of the Minister of State for Finance to explain the situation, I must tell him that the measures available under the bond program now require a company to be almost bankrupt. There is a limit of $500,000, which will not accommodate the problems mentioned by the hon. member for Annapolis Valley-Hants.

There is a young beef producer in Ontario by the name of Marvin Black who identifies the whole issue of the interest rate policy of this government in a way which no one to date has done. I tell you right now, Madam Speaker, that the Canadian Imperial Bank of Commerce, in spite of what the Minister of Finance has discussed with the banks, is in the process of foreclosure, a foreclosure which will affect several generations and which will leave the father of the family destitute. This whole issue has been focused on a man who can be criticized for his management, along with banks and governments for their policies.

I am asking the Prime Minister to undertake before the end of this session to discuss with the Minister of Finance the options available to open the small business development bond program so that it can be used properly in a way which will accommodate the difficulties faced by major segments of our economy.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member is referring to a particular case—

Mr. Clark: For the benefit of inherited wealth!

Mr. Trudeau: Why don't you ask questions?

Mr. Bussières: If the Leader of the Opposition would take the trouble to listen, Madam Speaker, he could set an example for the members behind him and show some leadership.

The hon. member is referring to a specific case and using it to draw general conclusions. As I have indicated, the Minister of Finance has already stated in the House that he is looking into the situation with the Minister of State for Small Businesses and Tourism and that he would take specific action if the situation so required.

[*English*]

SUBJECT OF CABINET DISCUSSIONS

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Right Hon. Prime Minister, who is aware of the serious effects that high interest rates have had on the farming community. He is also aware of the fact that there have been many bankruptcies and many farmers have had to dispose of

their assets to meet their commitments. I know that the Prime Minister met with his cabinet at a special meeting, which I believe was held at the weekend. He also meets with the cabinet weekly. Can the right hon. gentleman advise this House whether or not he has discussed this serious problem with his cabinet colleagues? Can he also tell us if any plans or programs are being formulated to alleviate this situation, and when will these plans be announced?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member refers to *Hansard* he will find that the Minister of State for Finance just answered that very question.

AMENDMENT OF FARM CREDIT CORPORATION ACT—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Madam Speaker, my supplementary question is also for the Prime Minister, who just gave a nothing answer. Can the Prime Minister advise us whether or not the government has any intention of bringing in amendments to the Farm Credit Corporation Act? Specifically, would his government consider amending the Farm Credit Corporation Act in order that retiring farmers might be allowed to invest the capital gains portion of their farm sale proceeds in the Farm Credit Corporation at low interest rates, on the condition that capital gains tax and income tax be waived, thus ensuring the Farm Credit Corporation a source of cheap funds which it could lend out to its borrowers at reasonable rates?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member refers to my answer as being a nothing answer. I point out to him that it was a referral answer. I referred to the lengthy answer given by the minister a moment ago, probably while the hon. member was rehearsing his question. That is the simple answer—it was given to him before he posed his question.

In so far as the second question is concerned, I understand that it is a representation such as the Minister of Finance often receives. He will consider it, as he considers all other representations. I thank the hon. member for his ingenuity.

* * *

AGRICULTURE

SUPERMARKET BEEF PRICES—REQUEST FOR ACTION TO PREVENT RIP-OFFS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Agriculture. Yesterday an Ontario cattlemen's group charged that supermarkets have tripled their mark-ups on beef over the past five years, keeping consumer prices high even though farm prices have dropped. The minister should be aware of this situation since his own department had been reporting the date in its food price surveys. What action is the minister prepared to take to prevent processors and chain stores from continually increasing this rip-off of producers and consumers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon. member is aware of the study which Agriculture Canada carries on and the publication of figures concerning food prices. I would even dispute the figures which were reported to have been used by one of the representatives at that meeting. But they are concerned, as are we, and I am at least gratified to see what the farmers want to overcome their problem.

Mr. Althouse: Madam Speaker, I remind the minister that just from 1979 to 1981 the mark-up figure has doubled, if one looks at the recent publication.

PROGRAM FOR PRODUCERS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, the minister has been a strong advocate of marketing boards over the years. He has argued that marketing boards provide more equal bargaining power to producers and that they can be operated to assure consumers a product at a fair price. Although we have heard about his support over these many years, and in spite of having the full and substantial resources of his department at his command, he has never produced a plan or a proposal for the producers of Canada. Does the minister now have such a program ready? When will he make it public? I ask this since he has been the long-term advocate of marketing boards in this government.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the National Farm Products Marketing Board has met from time to time with different producer groups in Canada who have requested information about the options available to them. We in this party do not believe in imposing upon a group any kind of plan or program for marketing products.

I am sure that the hon. member is aware that there are more farmers making those requests now, in the last two or three months, than there has ever been since I have been Minister of Agriculture. This is so since much opposition came from many different sectors of the beef producing industry, in particular the red meat producing industry. That situation is swinging around and changing rapidly because those producers want security and proper compensation for the products they produce. They will receive full co-operation when they come forward with anything.

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SUPPLY AND SERVICES

CANADIAN CONTENT OF CONTRACTS

Mr. Peter Lang (Kitchener): Madam Speaker, my question is for the Minister of Supply and Services. Now that Contact 81 has been completed, will the minister indicate what steps he will take to ensure that contractors with the Canadian govern-

ment, both private and public, are subcontracting to Canadian companies who are capable of fulfilling their requirements?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I thank the hon. member for his question. I am mindful of the fact that he represents an area wherein there are a large number of Canadian manufacturers. I am pleased that he has brought Contact 81 to the attention of the public, a program which has permitted us to identify close to 4,000 new Canadian sources, new Canadian manufacturers, for some of the major suppliers of the Canadian government. It comes at a very opportune time in view of the joint announcement made by myself and the Minister of Industry, Trade and Commerce about our new source development fund which will again enhance the creation of new Canadian manufacturing capacity.

Some hon. Members: Hear, hear!

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CONSUMER AFFAIRS

BEEF PRICES AND SUPERMARKET PROFITS

Mr. Jack Murta (Lisgar): Madam Speaker, my question is supplementary to the one asked by the hon. member from Saskatchewan, although mine is directed to the Minister of Consumer and Corporate Affairs.

It is abundantly clear, certainly to a good many people in this country, that marketing boards for livestock or beef cattle would not be the answer to the problems which the industry faces at the present time. These are problems which have been brought on by high interest rates and this government's inaction.

● (1440)

I would like to ask the Minister of Consumer and Corporate Affairs whether his department is looking at or will be looking at the charge that supermarkets are making undue profits at the expense basically of the producer and the consumer.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I must tell the hon. member that the officials of my department are now studying all those questions.

[*English*]

Mr. Murta: Madam Speaker, I did not quite catch the minister's answer. I will endeavour to get a clearer answer from the minister and maybe one not quite as flippant.

INVESTIGATION OF CHARGES

Mr. Jack Murta (Lisgar): Is the minister's department going to look into the charges that have been echoed in the press in this country that supermarkets in various parts of the country, and western Canada is a good example, have been making undue profits at the expense of the consumer and the producer of beef in this country?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I replied that my department is looking into all those aspects. If the hon. member has specific accusations to make, he ought to do so rather than ask me an insignificant and meaningless question.

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[*English*]

NATIONAL SECURITY

INFORMATION GIVEN IN NEWSPAPER ARTICLES—REQUEST FOR RELEASE OF GOVERNMENT FILES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I would like to get back to my questions of yesterday with the Prime Minister respecting some of these older security cases, a knowledge and understanding of which will be essential for the members of this House if we are soon to discuss the future of the security service. Due to what I believe to be inspired and selective leaks from within the government itself, there have been a number of press references lately to ex-Ambassador John Watkins and some of his problems. Knowing, as I think the Prime Minister does—the Solicitor General does in any event—that there are a number of investigative reports and documentations still available within the government, will he agree that it is rather scandalous that the Canadian public have to learn about these events through newspaper articles only? Why in the world can the government not start releasing some of these old files that are at least ten years old when they will obviously serve the public interest and the interests of members of this House?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Secretary of State for External Affairs dealt particularly with the question of Ambassador Watkins in an answer he gave a few weeks ago when he stated that the government and the security service had no cause to believe that Mr. Watkins had in any way assisted any foreign power in security matters. This being the belief and knowledge of the government, I fail to see how the public interest is served by allegations about Mr. Watkins' private life when he was an ambassador. Maybe the hon. member opposite has a different view of what the public interest is. I see no advancement to the public or the common weal by this kind of story. It may titillate the hon. member, but surely that is not the purpose of publishing personal data about people.

The point is, and I made it to the former solicitor general, if he has cause to believe the contrary, if he has cause to believe that the minister has been misled in some way, in stating that there is no evidence to incriminate Mr. Watkins, surely he should stand up and make that evidence public or else give it

in confidence to the security service. That is the position of this government.

ALLEGATION THAT CANADIAN OFFICIAL WAS RECOMMENDED BY FORMER BRITISH SECURITY AGENT, KIM PHILBY

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my purpose in attempting to bring this matter to the attention of the Prime Minister, who I am sure is quite aware of some of the problems, is the existence of some of the administrative and procedural problems and lack of standards that still exist within the government and within the Department of External Affairs in respect of the appointment of some of the people to some of our foreign missions, and especially the infiltration of high government offices by people who have a loyalty to a foreign service rather than to our own. That is the nub of the matter.

For example, will the Prime Minister comment on the allegations and rumours that freely abound that one Leslie James Bennett was appointed to the security service of this country, and eventually retired from that security service, because he was highly recommended to the Canadian government by a British security agent named Kim Philby? That is the type of allegation I would like the Prime Minister to clear up.

Madam Speaker: Order, please. I do believe we have the question.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, in his preamble the hon. member indicated or alleged that there were leaks presently within the security service, the RCMP or somewhere in my ministry. I would challenge him on that. The statements that have been made of a nature implying a knowledge of security service matters have been attributed, in press clippings that I have seen, to the hon. member himself. What I would like to know is whether the leader of his party, the former Prime Minister, has authorized him to make these statements notwithstanding his oath of office as a Privy Councillor.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

MANPOWER

NON-EMPLOYMENT OF STUDENTS IN ADVERTISING CAMPAIGN

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, last week was national hire a student week. I am sure most members of this House have heard the commercials from employment and immigration. If the minister is so dedicated to student employment training on the job for our young Canadians, why did he not hire students to do the commercials?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, that is a question I will take up with the public affairs people who prepared the ads.

Mr. McDermid: With respect, I suggest that is another example of the minister saying one thing and doing another.

PAYMENTS MADE TO ACTOR AND ACTRESS

Mr. John McDermid (Brampton-Georgetown): Will the Minister of Employment and Immigration table in the House the amount of money Jane Eastwood was paid to do that commercial, one of the highest paid actresses in Canada, and the actor in the commercial, so that we in the House can find out exactly how many jobs were taken away from students in Canada?

Mr. McLean: It is just like he is doing to the women.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, what really is important in the hon. member's question is whether the Canada Student Employment Service provides the very important means of students getting jobs. I wish to inform the hon. member that this year we have the highest record of placements of any year until now, which proves that the program is working even better, perhaps with the help of those ads.

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EXTERNAL AFFAIRS

BOARDING OF CANADIAN FISHING VESSEL BY U.S. COAST GUARD

Mr. Jim Fulton (Skeena): Madam Speaker, my question is to the Prime Minister. Ten days ago the Canadian fishing vessel *Sable Mist* was illegally stopped and boarded by the U.S. Coast Guard's *Storis* over ten miles inside Canadian waters. To date there has been no formal statement, either by the Secretary of State for External Affairs or any member of the government to the U.S. State Department, or to this House. Since in fact the head of the U.S. command in Alaska has confirmed that the boarding was illegal, will the Prime Minister tell this House why no action has been taken to date regarding this matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will have to defer to one of the ministers for a detailed answer, but my understanding is that the Canadian government did protest at the appropriate level, that there were discussions between the two government representatives, and that the Americans undertook not to repeat such action.

Mr. Fulton: I can confirm to the Prime Minister that no formal action has been taken by External Affairs with the U.S. State Department. I think it is important that it be done since that boundary was ratified between Canada and the United States in 1903.

PROTECTION FOR CANADIAN FISHERMEN

Mr. Jim Fulton (Skeena): If during the coming fishing season or any future fishing season Canadian fishing vessels are interfered with by U.S. vessels at or south of 54°-40′ or the A-B line, or the Dixon Entrance boundary as it is known, will the Prime Minister take all necessary actions to protect Canadian fishermen and Canadian sovereignty in that area?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would seem that the hon. member is really confirming my answer by pretending the contrary when he says that his information is that no action was taken by External Affairs. I said action by appropriate government officials. My understanding is that it was done by authorities responsible for the coastguard or the fisheries.

* * *

• (1450)

COMMUNICATIONS

EXTENSION OF DEADLINE FOR APPLICANTS APPLYING FOR CANCOM DISTRIBUTION LICENCES

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is addressed to the Minister of Communications. As the minister knows, today, June 17, is the proposed deadline for applications for terrestrial distribution of the Cancom television satellite package whereby distributors and municipalities in remote, rural and underserviced areas must apply for licences from the CRTC under the Broadcasting Act, and for Department of Communications technical certificates under the Radio Act.

In view of the fact that small communities have shown a strong interest in being their own distributors and wish to purchase the equipment and the Cancom package directly, would the minister allow an extension of the Department of Communications deadline, and would he ask the Canadian Radio and Television Commission to extend their June 17 deadline for processing the initial applications until no later than June 30 in order to allow small communities and municipalities extra time to discuss this Cancom package with their town councils and taxpayers?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I thank the hon. member for his question. It is indeed, a most important question for most Canadians living in remote or underserviced communities. As far as the Department of Communications is concerned, I am more than willing to extend the deadline to June 30 of this year. As far as the CRTC is concerned, I will be pleased to bring the hon. member's recommendation to the attention of the CRTC. I have already done so and I would hope to have an answer for the hon. member sometime tomorrow.

ENERGY

EXTENSION OF NATURAL GAS PIPELINE TO NOVA SCOTIA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question on the topic of energy economic development for the Prime Minister and it is with regard to the commitment he made in January, 1980, for a natural gas pipeline to Nova Scotia. He will be aware that there are labour developments in Quebec which are causing the schedule to be disrupted. He will also recall that in the House, in answer to my friend from Halifax, the minister of energy gave a commitment that, if necessary, a bill will be brought into the House as a matter of government policy to make certain this pipeline which he promised would, indeed, be built.

Will the Prime Minister now confirm that this commitment he gave still stands, and will he go one step further as a matter of government or national policy and make a commitment that an LNG site in the Strait of Canso area, which possesses so many attributes for that development, will be selected so that a petrochemical industry, which will provide great economic impetus to Nova Scotia, can be established in that area?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the National Energy Program did provide for the construction of a gas pipeline towards the maritime provinces. We stated that it was a project of national interest and the government is still in favour of seeing this project through. The pipeline construction project in Quebec is behind schedule as a result of a welders' strike, but I hope the government of Quebec will be able to end that strike within a short time. As to the extension of the gas pipeline towards the maritime provinces, my hon. colleague knows that the National Energy Board has completed its hearings on that subject, and we are waiting for its report with respect to the precise conditions concerning the extension of that project towards the maritime provinces.

[*English*]

FULFILMENT OF COMMITMENT

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I appreciate the minister's answer, but I want to ask him this. In view of the unanimous support from so many levels of government and from so many public officials who are influenced, I am sure, by the great strategic and natural advantages of the Medford Point site in the Strait of Canso area, will the minister of energy, again pursuant to his commitment as a national policy for energy for eastern Canada and to fulfil the Prime Minister's commitment, go one step further and indicate his support for that particular site, so that Nova Scotia will not just be a keeper of pipelines but can get feedstock for a petrochemical industry which will provide a great deal of economic development for that province? I am sure the Minister of Regional Economic Development will agree that this is one area where Nova Scotia has great potential for development.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my hon. friend surely knows that there are two questions to be answered with regard to the point he raises; one, whether the Arctic pilot project will go ahead and, secondly, if it goes ahead what would be the best site for a liquid natural gas plant. These two questions are before the National Energy Board. The National Energy Board has heard witnesses and will eventually make public its conclusions. At that time the government will consider its report. It would be not only premature but totally improper, either for me or for the government, to act or take a position until the Energy Board has reported on this very important issue.

I would also bring to the hon. member's attention the fact that we are confident natural gas will also become available from off Sable Island. It may well be that there is a possibility of a petrochemical industry in the maritimes on the basis of the natural gas that will come from the Canada lands off Nova Scotia.

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CANADA PENSION PLAN

MANAGEMENT AND FUNDING

Mr. Peter Elzinga (Pembina): Madam Speaker, in the absence of the Minister of National Health and Welfare and the Minister of Finance I direct my question to the Right Hon. Prime Minister. The Minister of National Health and Welfare indicated that the Canada Pension Plan was under review. Would the Prime Minister indicate to the House what reform is contemplated to ensure proper management and funding of the Canada Pension Plan? Will he indicate to the House also what steps are being taken by his government to ensure that private pension funds are being properly managed?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, in response with regard to the Canada Pension Plan, the deputy minister of Finance was before the parliamentary committee last week and pointed out that there will be some changes to the Canada Pension Plan, and he expects that those changes should take place after the year 1985. My understanding is that at the present time there is a committee working with the Minister of Finance and his provincial counterparts, reviewing this whole area of CPP.

SPECIFICS OF PROPOSED CHANGES

Mr. Peter Elzinga (Pembina): Madam Speaker, will the parliamentary secretary be a little more precise and indicate to the House what specific changes are being contemplated? Is the government looking for more participation by way of funding from individual contributors, or what specifics are we looking at?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, those changes have not been finalized. I think I replied earlier last fall, with regard to the Canada Pension Plan, that since its inception it was realized there would have to be changes in the contribution rates somewhere in the decade of the 1980s. As a result, this committee was set up in 1977 and it has been reviewing this whole process since that time. I would assume that once negotiations have been completed there will be some answer in the House by the Minister of Finance.

* * *

INDIAN AFFAIRS

COMPLETION OF HOUSE CONSTRUCTION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the money available to Indian bands for the construction of new housing has always been short of what has been needed so that many Indian houses have never been completed. Now the department is requiring Indian bands to guarantee that they will be able to finish houses before any funding is released. Did the Minister of Indian Affairs and Northern Development make a commitment to Treasury Board that Indian bands would be able to complete construction of new housing with the present funding, when this only amounts to about half the money required? If he did not make this commitment, from where did this ridiculous policy come?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the hon. member is aware of the situation, that for some time there was a subsidy of approximately $12,500 for each Indian home. That was the situation prior to about a year ago. This government, in terms of trying to be of assistance, upped that subsidy by approximately another $10,000 to an average of $22,500, give or take $100. That is the situation as it applies now to Indian housing across the country. Might I say that this was welcomed generally in the Indian communities across the country, that is, the additional subsidy, and it also meant a fairly substantial additional financial commitment by this government to Indian communities in Canada.

RELEASE OF FUNDS TO INDIAN BANDS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the minister knows that the estimated cost for even basic housing on Indian reserves is approximately $37,500, and there is no program in place yet for the labour component. The construction season is moving on, and unless funding is released we are going to lose that season and the necessary Indian houses are not going to be built. Will the minister make a commitment to release funding to Indian bands for houses in accordance with the general principles of accountability which he accepted for other funding last summer?

● (1500)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I will have to examine the particulars of what the hon. member is talking about, because certainly in talking to representatives of Indian communities fairly extensively in the last month or so, I have found that there is an acknowledgement that funds are being released in accordance with allocations for the number of homes on each reserve. The Indians are in receipt of the money. The housing is going up. If the hon. member has a particular reference to where this is not the case, I would be more than pleased to examine it with him.

* * *

RAILWAYS

NOISE FROM CN HUMP YARD IN EDMONTON

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is directed to the Minister of Transport. Having regard to the many squeals and shrieks caused by the shunting of railway cars, which are upsetting the health of the worthy citizens of Edmonton North—I have written the minister a letter in this regard, and I am quite sure he is aware of the matter—can the minister tell us whether he is planning to move the CN hump yard or what he is planning to do about the noise between 87th Street and 97th Street and 127th Avenue?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am aware in detail of, and very much acquainted with, a number of relocations taking place in Canada at this time. There is one in Regina, for example, and there are others elsewhere. I am not very well acquainted with this one. May I beg for a meeting with the hon. member immediately after the question period so that he can give me all the information?

OTTAWA CENTRE FREIGHT TRAINS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I have one short supplementary question. Ottawa Centre is not my constituency. Ottawa Centre does not have a hump yard, but freight trains go through the constituency between two o'clock and three o'clock in the morning. I wonder if there is any way by which the minister can see that the trains go through the riding during regular hours, such as between eleven o'clock in the morning and five o'clock in the afternoon.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we will do our best to accommodate the hon. member's sleep when he is in this area.

PETITIONS

MR. SKELLY—USE OF UREA FORMALDEHYDE FOAM INSULATION

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the fifty-second report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Comox-Powell River (Mr. Skelly) and finds that it meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

VOTING ON AMENDMENTS TO EXCISE TAX ACT AND THE EXCISE ACT, BILL C-57

Mr. Pinard: Madam Speaker, after consultations with my colleagues on both sides there is an agreement that, notwithstanding any Standing Order or other order of this House, if the government business called on June 18, 1981, is Bill C-57—and at this time it is our intention to call that bill tomorrow—to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, no private members' business shall be taken up on that day and, at 9 p.m. on that day, proceedings then under consideration shall be interrupted and the yeas and nays shall be called on all questions necessary to dispose of the report stage of Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas; and if any division is demanded on any such question, the bells shall be rung for not more than 15 minutes and shall be dispensed with on any divisions required thereafter.

Mr. Baker (Nepean-Carleton): Madam Speaker, it is my understanding that this order is there on the basis that it is in fact the intention of the government to call Bill C-57. The government House leader is nodding his agreement, and in that case this is in accordance with our discussion and is in order.

Mr. Knowles: Yes, Madam Speaker, we also agree.

Madam Speaker: Does the House agree to the proposed order?

Some hon. Members: Agreed.

Madam Speaker: So ordered.

PRIVILEGE

MR. LAWRENCE—ALLEGED IMPUTATION OF MOTIVES IN RAISING QUESTIONS RESPECTING AMBASSADOR JOHN WATKINS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I believe I have a question of privilege today in that during question period a motivation in certain questions I asked of the Prime Minister (Mr. Trudeau) respecting the so-called John Watkins case was imputed to me by the Solicitor General (Mr. Kaplan).

Over the last few months especially there has been a number of press commentaries relating to statements made by the Secretary of State for External Affairs (Mr. MacGuigan) regarding ex-ambassador Watkins and by ex-commissioner Kelly of the RCMP on at least one nationally televised program in respect of Mr. Watkins, in several articles which have appeared in national newspapers in this country. I made reference in my questioning to the Prime Minister to one particular set of articles which appeared approximately a week ago in the *Toronto Star*, a two-part newspaper article, I think, which appeared on a Friday and on a Saturday.

In my reference to these particular articles I said that I had reason to believe—and I reaffirm it before Your Honour and the House here today—that that was an inspired and selected leak from government indicating the part played by the RCMP security service in the unfortunate and perhaps tragic death of ex-ambassador Watkins.

Madam Speaker: Order. I believe the hon. member is continuing to argue the matter he brought up in the question period. If his question of privilege relates to imputing of motives, I might offer to look into the blues again, but it did not occur to me at the time that the hon. Solicitor General (Mr. Kaplan) was speaking in the House that he did impute motives to the hon. member, but I will listen to his argument. However, it should be very short, and I ask him not to argue the case and not to continue to give the House his interpretation of some of the facts.

Mr. Lawrence: Madam Speaker, I am sure the Chair will recognize that to lay properly the groundwork for what I consider an accusation made in the House today that I breached an oath, the facts are required for the proper understanding of the Chair in this matter.

However, as I heard the Solicitor General today—and if he did not mean this, then I am sure he will apologize to me and withdraw the imputation which I clearly heard today—the imputation was that the only references he had read in the popular press were references I had made in respect of ex-ambassador Watkins. First of all, I cannot believe that, if that is what he said today, but, second, he said that in making any reference to ex-ambassador Watkins I was breaching my oath. I am not too sure which of the oaths I have taken the minister indicated I was breaching but, in any event, he indicated I broke an oath—

Mr. Jarvis: Privy Councillor oath.

Mr. Lawrence: —presumably the Privy Councillor's oath—by referring to these matters. I want to assure the Chair and the minister—and I would like him to withdraw that imputation or correct me if my hearing was not right today—that I have broken no oath in that information which came to me as a Privy Councillor has been released by me up until now, nor do I intend to release any information which came to me as a Privy Councillor.

Any information on this matter or related matters has come to me from far different sources than internal Canadian government sources. The prime minister of the day may want me either to put up or shut up. I can say to him very clearly that unless the government starts putting up, I do not intend to shut up on this matter.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I would like to read the "blues" myself because I distinctly recall saying or conceding that a considerable amount of speculation came from other sources. I certainly do concede that, but a great amount of the speculation and statements about what information there is within the possession of the security service or the Ministry of the Solicitor General has come from the hon. member and has been attributed to him in the media.

Mr. Lawrence: He is repeating it.

Mr. Kaplan: Today we had another one. The hon. member indicated he put forward some possible contents of a job application by Mr. Bennett. I have never seen any statement of that in any public place. I have not read the job application of Mr. Bennett—

Mr. Lawrence: Neither have I.

Mr. Kaplan: —but he has made a statement about who provided a letter of reference for him.

• (1510)

He was for a period of time in charge of these records and could have called for any of them. As I say, I would like to read the "blues" before commenting further on the sources of his information.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on the same question of privilege, what the Solicitor General (Mr. Kaplan) has seen is not in question; what the Solicitor General has said is very much in question. We on this side of the House believe we heard him impute the motives of the former solicitor general of Canada, the hon. member for Durham-Northumberland (Mr. Lawrence), and impute my motives. We believe we heard him accuse the former solicitor general of breach of an oath, and accuse me of the sanctioning of the breach of an oath. We believe that is what we heard.

We, too, want to see the record of the debate in this House and I am sure that if our recollection is correct, the Solicitor General will have the courage and the respect for this place to stand in his place and withdraw those accusations. If he does

not, I serve notice now, Madam Speaker, of my intention to follow this as a matter of privilege after a review of the record.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in my opinion the Leader of the Opposition is too sensitive. The Solicitor General did not accuse anyone, but there is one thing we can see, namely that so far every member who has risen on this question would rather check the blues and see exactly what it is all about. Under the circumstances, I would suggest that it is rather easy to solve the problem. It is very simply a matter of checking the blues and everybody will see that the hon. member is brewing a storm in a teacup.

[*English*]

Madam Speaker: To clarify things a bit, I do not think we have grounds here for a question of privilege but there is certainly a point of order which has been brought up. Imputing a motive falls under the heading of unparliamentary language. We would have to look at the blues to see whether there was anything unparliamentary in what was uttered in the House in the course of the exchange during question period. I will look at them and I am sure that if I find there is something unparliamentary, and if the minister after looking at the blues feels he has been unparliamentary even before I point it out to him, he will do what is necessary under our rules.

There was an accusation of something having been done, the imputing of motives. However, I think we should look at the precise language in order to make up our minds about this.

* * *

POINT OF ORDER

MR. COSSITT—MADAM SPEAKER'S COMMENT ON MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a point of order in regard to matters raised under Standing Order 43 in this House. It has been my understanding, and I seek clarification on this point, that the criteria by which such a motion is measured are whether it is of urgent and pressing necessity, whether or not it is couched in unparliamentary language, or things of that nature. However, I was naturally under the impression, as I am sure all members are, that the Chair, who I am sure will agree with this, is neutral on the merits of the motion. It is up to members of the House to decide after the motion is put whether they consent or not.

Now, Madam Speaker, I would like to ask clarification because today, when I moved a motion under Standing Order 43, if I recall correctly, and I admit I am paraphrasing because the blues are not available as yet, you stated something to the effect that although you could vouch for the fact that the contents contained in my standing order were not accurate, nevertheless you would put the motion. It would seem to me, Madam Speaker, if I am paraphrasing you accurately, that whether or not the House had given its consent is irrelevant. It means in effect they had been told by the Chair that my motion contains incorrect facts which would mean, therefore, that the House was being influenced on how it should vote.

I would like to seek clarification on whether the Chair is in a position to do that. It seems to me you would not want to be in that position in that the Chair was in effect arguing, as a member opposite might do or as a member on my left might do, that I was wrong and thereby entering into debate with a member. Therefore I am seeking clarification as to why that happened, or just what did happen.

Madam Speaker: Well, I would tell the hon. member that the two of us were wrong. First of all, I think the hon. member knows that matters pertaining to the administration of the House which are under the jurisdiction of the Speaker should be dealt with in a different way than matters dealt with in the House precisely because the Speaker cannot enter into debate with any member of the House, or explain or comment on any of the motions put forward by a member. So in this respect I was sort of taken aback by the content of that motion because I knew some of the facts perhaps could be disputed, and I would have preferred to discuss them with the hon. member before entering the House. I think in the future that is the course the hon. member should follow in matters pertaining to the jurisdiction of the Speaker.

Secondly, I was wrong in making that comment and I do apologize to the House. As soon as I made it I realized I was expressing an opinion, something that I should not do. However, the House dealt with the motion in the usual manner. I apologize to the hon. member for my comment but he can follow his own conscience or directive with regard to the fact that he brought these things up in the House when they should have been brought up in another place.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF AGRICULTURE FOR THE STATE OF VICTORIA, AUSTRALIA

Madam Speaker: I would like to give notice now that we are honoured by the presence in our gallery of the Minister of Agriculture for the State of Victoria, Australia, the hon. Thomas Leslie Austin.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Seventh report (revised) of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Robinson (Etobicoke-Lakeshore).

[*English*]

He said: I think I should add, Madam Speaker, that the presentation of a revised seventh report is necessary in order to correct a technical error which appeared in the report originally presented by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), joint chairman of the committee, on Monday, June 15, 1981.

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

Mr. Herb Breau (Gloucester): Madam Speaker, I have the honour to present the first report of the Special Committee on Federal-Provincial Fiscal Arrangements and, if the House pleases, I intend to move concurrence later this day.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

* * *

SUPPLEMENTARY ESTIMATES (B), 1981-82

A message from His Excellency the Governor General transmitting supplementary estimates (B) with regard to sums required for the public service of Canada for the financial year ending March 31, 1982 and, pursuant to the provisions of the British North America Act, 1867, recommending those estimates to the House of Commons, was presented by hon. Donald J. Johnston (President of Treasury Board) and read by Madam Speaker to the House.

[*English*]

REFERENCE TO STANDING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, under the circumstances I would like to move the usual motion under Standing Orders 58(15) and 59, seconded by the President of the Treasury Board (Mr. Johnston):

That the Supplementary Estimates (B) 1981-1982, tabled this day, be referred to the Standing Committee on Miscellaneous Estimates.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

• (1520)

[*Translation*]

SPECIAL COMMITTEE ON FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Herb Breau (Gloucester): Madam Speaker, if the House agrees, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker), that the first report of the Special Committee on Federal-Provincial Fiscal Arrangements, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 251, 2,404, 2,405, 2,408 and 2,468.

[*Text*]

CMHC—RRAP ALLOCATIONS

Question No. 251—**Mr. Herbert:**

1. By province, what amount in the current fiscal year has been allocated by CMHC for the Residential Rehabilitation Assistance Program?

2. Have all the available funds been spent or committed?

3. Are any applications presently outstanding or have any been refused due to a shortage of funding and, if so, how many?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: 1. See list below.

2. No.

3. The budget available under the Residential Rehabilitation Assistance Program does not permit all eligible applications to be processed. Funds are allocated on a priority basis and some applicants may have to wait until next year to receive assistance. Administration of the program is undertaken in most instances by municipalities and CMHC does not have data on the number of applications deferred.

Residential Rehabilitation Assistance Program (RRAP) 1981 Budget Allocation

	$000
Newfoundland	10,000
Prince Edward Island	5,200
Nova Scotia	12,700
New Brunswick	10,300
Quebec	58,700
Ontario	11,700

Manitoba	4,100
Saskatchewan	8,600
Alberta	7,300
British Columbia	13,300
Yukon	200
Northwest Territories	300
Total *	142,400

* This total does not include unallocated funds.

CMHC—ACQUISITION OF HOUSING UNITS

Question No. 2,404—**Mr. Herbert:**

1. For the past five years, in total and to the latest date for which the information is available, what was the difference between the cost of acquisition of housing units by the Canada Mortgage Housing Corporation and the amount obtained in subsequent sales?

2. What was the net cost to repair and maintain the units during the period they were held by the corporation?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: 1. The Canada Mortgage and Housing Corporation portfolio consists of units acquired by the Mortgage Insurance Fund (MIF) and the repossessed units previously financed with uninsured CMHC direct loans. The difference between the cost of acquisition of both the MIF and corporation-owned properties and the amount obtained in subsequent sales is as follows:

Profits or (losses) in $000's:

1980	1979	1978	1977	1976
($274,234)	($31,445)	($1,554)	$2,151	$1,907

2. The net costs (in $000's) to repair and maintain the units were as follows:

1980	1979	1978	1977	1976
$37,731	$40,486	$20,681	$13,069	$14,317

CMHC—REAL ESTATE PORTFOLIO

Question No. 2,405—**Mr. Herbert:**

By province, what is the number of housing units in the possession of the Canada Mortgage and Housing Corporation and what number are to be offered for sale within the next year?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: the Canada Mortgage and Housing Corporation portfolio consists of Mortgage Insurance Fund (MIF) units and of repossessed units previously financed with uninsured CMHC direct loans. As at March 31, 1981, the MIF and corporation-owned inventory, by province, was as shown in the list below.

The anticipated sales for 1981 have been established as follows:

	Sales Target
M.I.F.	14,600 units
Corporation-owned	5,150 units
Total	19,750 units

CMHC Housing Unit Portfolio
as at March 31, 1981

Province	Number of Units		
	MIF	Corporation	Total
Nfld.	240	159	399
N.S.	117	146	263
P.E.I.	61	3	64
N.B.	233	1,085	1,318
Ontario	9,270	2,516	11,786
Quebec	3,969	1,658	5,627
Manitoba	1,575	218	1,793
Saskatchewan	80	59	139
Alberta	369	456	825
British Columbia	217	895	1,112
Yukon and N.W.T.	111	214	325
Total	16,242	7,409	23,651

CMHC—ACQUISITION DELAY PERIOD

Question No. 2,408—**Mr. Herbert:**

What is the average delay period per housing unit between the initial default of the owner and the final acquisition by the Canada Mortgage and Housing Corporation of properties that have insured mortgages financed by the chartered banks?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: with respect to claims paid to chartered banks for the 12-month period ending March 31, 1981, the average time lag from the date a borrower defaults on payment until title is conveyed to CMHC under the terms of the mortgage loan insurance policies, is 414 calendar days.

DVA—DISABILITY PENSION APPLICATIONS

Question No. 2,468—**Mr. McKenzie:**

1. How many applications for pension are currently (a) awaiting hearings by the Canadian Pension Commission (b) filed with the Bureau of Pensions Advocates?

2. (a) What is the average period of time required to process an application for pension from time of receipt by the bureau until presentation before the commission (b) what is the step-by-step procedure at the commission's head office for the processing of applications from time of receipt from a pensions advocate until presentation before the commission?

3. How many applications for pension are currently (a) awaiting processing at the commisison's head office (b) awaiting consideration by the commission's medical advisory board?

4. What is the average period of time required for members of the medical advisory board to review the medical facts of an application for pension?

5. What is the current strength of the medical advisory board and what are the names of the members of the board?

6. (a) What schedule of priorities exists in the allocation of hearings for pension applications (b) how and by whom is the schedule determined?

7. How many appeals from decisions of the commission to assessment boards are currently on file and, in each case, what was the date of the original application and what was the date of the commission's decision?

8. (a) How many appeals from decisions of the commission to entitlement boards are currently on file (b) what was the date of the original application and what was the date of the commission's decision?

9. How many (a) assessment board hearings (b) entitlement board hearings are scheduled for the current year?

10. How many appeals from decisions of the commission, including assessment and entitlement boards, are (a) currently before the Pension Review Board (b) scheduled for hearings before the Pension Review Board for the fiscal year 1981-82?

11. (a) What is the average period of time incurred from the receipt of notice of appeal to the hearing of the appeal by the Pension Review Board (b) what schedule of priorities exists in the allocation of hearings of appeals before the board (c) how and by whom is the scheduling determined (d) what is the average period of time incurred from the receipt of notice of appeal to the promulgation of a decision by the board (e) are the board's hearings restricted to the consideration of documentary evidence only or is oral testimony permitted?

12. From 1979 to 1980, how many decisions of the Canadian Pension Commission were upheld by the Pension Review Board and how many were reversed?

13. What is the current strength of the Pension Review Board and what are the 1981-82 salaries of its members?

Hon. J. Gilles Lamontagne (Minister of National Defence):

1. (a) As at March 31, 1981, there were 4,956 applications for pensions currently awaiting hearings by the Canadian Pension Commission. This includes 765 applications for dependants, applications from widows whose spouses had been in receipt of pension at the rate of 48 per cent or more at the time of death, applications for proportionate pension, and applications for funeral and burial grants that were being processed at that date.

   (b) As at March 31, 1981—2532.

2. (a) During the year April 1, 1980, to March 31, 1981, the Bureau of Pensions Advocates submitted 6562 applications for pension, of which 4401 or 67 per cent were submitted within six months of initial contact with the applicants. The others were delayed because of difficulties in obtaining supporting evidence.

   (b) (i) The application is date-stamped on receipt because, in the event that the decision is favorable, retroactive pension may be paid to the date of receipt of the application, or three years, whichever is the later.

   (ii) The application is forwarded to the medical-clerical section of the medical advisory branch for examination and review.

   (iii) If a medical diagnosis indicating that a disability exists has accompanied the application, the application is entered into the process control system. The application is then acknowledged by the communications division of the Canadian Pension Commission.

   (iv) If no medical report indicating that indeed a disability does exist has accompanied the application, the application is sent to the appropriate district office of the Canadian Pension Commission (CPC) in order that the applicant may be examined to determine if in fact he does have the disability, and if so, to report on the extent of that disability. When this examination is complete, the application is returned to the medical-clerical section of the medical advisory branch so that particulars of the application may be entered into the process control system and acknowledgement of the application forwarded.

   (v) After acknowledgement, the veteran's file and application are returned to the medical-clerical section of CPC for preparation of a case précis which involves extensive research of all service records and medical records that can be obtained relating to the veteran's claim.

   (vi) Additional information may be required from medical specialists. If such is the case, this information will be requested from the veteran and his representative, and when received, will be incorporated in the preparation of his case précis.

   (vii) The file and précis are reviewed by a medical adviser who prepares a medical comment.

   (viii) The complete file, together with case précis and medical comment is then passed to a commissioner of CPC, who will review the application, case précis, medical comment, etc., and prepare a proposed commission decision. This proposed decision will be reviewed by two other commissioners of CPC, whose agreement is needed in all respect before it can be approved as a commission decision. If there is disagreement which cannot be resolved by the commissioners concerned, the claim is referred to a larger group of commissioners, who meet regularly for that purpose. When the decision is approved it is signed and passed to the communications division of CPC for promulgation.

   (ix) When promulgated, the veteran is made aware of his rights of appeal if the decision is unfavourable.

   (x) If the decision is favourable, in whole or in part, the appropriate district office of CPC will call the veteran in for a medical examination to report on the degree of disability. In most cases the senior pension medical examiner in the district office will recommend the level of disability assessment in accordance with the instructions contained in the table of disabilities maintained by CPC, as required by the Pension Act.

   (xi) The recommendation for degree of assessment is then forwarded to the head office of CPC, where it is reviewed by a medical adviser to determine that it conforms with the existing medical policy of the Pension Commission, and that similar disabilities are uniformly assessed

across Canada in accordance with the table of disabilities.

(xii) If the medical advisory branch concurs in the recommended assessment of the disability, the file and the recommended assessment are then passed to a commissioner for consideration.

(xiii) Following approval by a commissioner of the Pension Commission, the file is passed to the communications division for promulgation of the degree of assessment of disability to the veteran.

(xiv) The file is then passed to the accounting division of the Department of Veterans Affairs for the necessary financial and pay action.

3. (a) See 1 (a) above.

(b) The commission does not have a medical advisory board. It is served by a medical advisory branch. There are approximately 4000 applications for pension currently in various stages of preparation by the commission's medical advisory branch.

4. From the time an application is first received at the head office of CPC, until it is passed by the medical advisory branch to the commission for decision, approximately 9 and one half months elapse.

5. The current strength of the medical advisory branch is 61. Of this number, 16 are medical doctors. The names of the medical advisers are:

Chief Medical Adviser—Dr. J. Mutch

Deputy Chief Medical Adviser—vacant

Dr. J. Carberry	Dr. E. R. Keirstead	Dr. D. M. Muir
Dr. J. F. M. Cullen	Dr. M. G. Kinghorn	Dr. J. M. O'Brien
Dr. J. A. Forrester	Dr. H. A. J. Lister	Dr. M. Panneton
Dr. W. A. Howell	Dr. F. J. McEwan	Dr. A. J. Pineau
Dr. R. F. Jackson		Dr. E. Pollonetsky
Dr. N. Kanjilal		

6. (a) The following categories of claims receive the greatest priority in the consideration of applications for pension.

(i) Applications received from World War I veterans.

(ii) Applications received from widows of veterans.

(iii) Applications made by veterans who are in severe medical or social distress.

All others are dealt with on a first in, first out basis in the respective medical specialty division.

(b) The schedule of priorities listed above has been determined by the chairman of the Canadian Pension Commission.

7. As at March 31, 1981, there were 922 appeals from decisions of the commission to assessment boards currently on file waiting to be heard. Of these, 251 cases have been certified by the applicant or his representative, as being ready to be heard, 187 are with the applicant or his representative awaiting certification of readiness to proceed, and 484 are awaiting preparation of the documentation. Because of the volume and the time involved it is not readily possible to identify the date of the original application for an assessment board in each case. Decisions have not yet been rendered on these appeals.

8. (a) As of March 31, 1981, there were 1,929 appeals from decisions of the commission to entitlement boards currently on file waiting to be heard. Of these, 647 have been certified by the applicant or his representative as being ready to be heard, 780 are with the applicant or his representative waiting for certification, and 502 are awaiting preparation of the documentation.

(b) Because of the volume and the time involved it is not readily possible to identify the date of the original application for an entitlement board in each case. Decisions have not yet been rendered on these appeals.

9. (a) 700.

(b) 1,800.

10. (a) 1,960.

(b) The estimated number of hearings to be held during the current fiscal year is 1,900.

11. (a) Nineteen months.

(b) Priority is given to veterans of World War I (CEF), widows, seriously ill veterans, and veterans in serious economic circumstances.

(c) Under the direct supervision of the chairman of the Pension Review Board in consultation with the Bureau of Pensions Advocates, the Royal Canadian Legion, and The War Amputations of Canada.

(d) Twenty months.

(e) The Pension Review Board is restricted to the consideration of documentary evidence only.

12. 1979-1980: Confirmed—858 Varied—250.

13. The board is presently at full strenth. It consists of a chairman remunerated at the SX-2 rate of pay ($41,900—$57,100) and a deputy chairman and five members remunerated at the SX-1 rate of pay ($36,800—$50,600).

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 1,516 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 1,516 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—PERSONNEL PAID $40,000 PER YEAR OR MORE

Question No. 1,516—**Mr. Cossitt:**

What are the names, job designation or classification, duties and terms of employment etc. of all persons employed or under contract with the Department of Consumer and Corporate Affairs who are being paid $40,000 per year or more?

Return tabled.

[*Translation*]

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, Notice of Motion for the Production of Papers No. 29 is acceptable to the government.

Madam Speaker: Is it the pleasure of the House that notice of motion No. 29 be deemed to have been adopted?

Some hon. Members: Agreed.

[*Text*]

TASK FORCE REPORT ON SYDNEY STEEL CORPORATION

Motion No. 29—**Mr. Herbert:**

That an Order of the House do issue for a copy of the task force report on the future of Sydney Steel Corporation.

Motion agreed to.

[*Translation*]

Mr. Collenette: Madam Speaker, I ask that the other notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the other notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Hon. J.-J. Blais (Minister of Supply and Services) moved that Bill S-10, an Act to amend the Corporations and Labour Unions Returns Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Madam Speaker, I rise today for the second reading of Bill S-10, which has already been passed in the Senate.

[*English*]

Bill S-10 is an act to amend the Corporations and Labour Unions Returns Act, known as CALURA. This act, which was originally passed in 1962, provides for the reporting of financial and other information relating to the affairs of corporations and labour unions operating in the country. The information collected under CALURA has been reported annually to Parliament. It has been a valuable and unique reference on the extent and effects of non-resident ownership and control of corporations in Canada, and on the association of Canadians with international labour unions.

During the 18 years the act has been in existence, many changes have taken place in the marketplace. The economy has become much more complex and, as a consequence, policy-makers have had to request additional data to keep abreast of developments. The last several years have seen a proliferation of requests for financial data by other government departments which, under the present act, have no access to data of individual corporations collected by CALURA. This has imposed a burden upon respondents, especially smaller enterprises where the resources to cope with this paperwork are severely limited.

[*Translation*]

Moreover, since the act covers corporations of a certain size, the number of corporations which must send in a return has greatly increased, even though a great many of them did not originally fall within the purview of the act.

In this time of advanced technology, the administration feels that it urgently needs to keep abreast of technology transfers, even more so since Canada wants to play a role in the ever growing area of technological advances. This need is becoming more acute because of the fact that, more than in any other industrialized economy in the world, corporations in Canada belong to non-residents and are controlled to a large extent by them. In fact, Madam Speaker, there is presently no system which can indicate the level of technological transfers from Canadian corporations to foreign interests or vice versa. Of course, this deficiency will be corrected. With regard to the labour community experience has shown that there are certain deficiencies in the act. Under the terms of the act the defini-

tion of a union has been too restricted, as well as the scope of financial data obtained from international unions.

[*English*]

With these problems in mind, the government has made several attempts over the past three years to bring in appropriate amendments to the act. Generally we have had support from both sides of the House. Our long, consultative process with representatives of business and labour indicated to us that they, too, welcomed these proposed changes. Indeed, the proposed amendments were extensively considered by a committee of the House in 1978. The present bill includes further improvements in response to concerns expressed during those proceedings and in recent deliberations in the other place.

I should like to express my appreciation for the very serious deliberations which took place in the other place and for the co-operation we received from both witnesses and members of the other place.

Time was not on our side in these previous attempts to enact these changes, but I hope the bill will now be disposed of in the House. Therefore I am pleased that Bill S-10, which I believe reflects present-day conditions and will streamline our methods of collecting and disseminating business and labour information, has been introduced early in this session of Parliament and has already received passage in the other place.

The prime objective of Bill S-10 is to alleviate present and potential response burden on many firms reporting to the federal government. The amendments will allow us to eliminate duplication of requests for information and to improve the quality and timeliness of the reports to Parliament. They will enhance the government's understanding of the flow of technology into Canada, supply vital data on the extent of foreign ownership and control, and provide a more comprehensive picture of union activity in the country.

[*Translation*]

CALURA was passed 18 years ago to collect data, financial and otherwise, concerning corporations and unions operating in Canada. The aim was to report to Parliament and the public on the scope and the effect of the ownership and control by non-residents of corporations in Canada. The act provided that any corporation with assets exceeding $250,000 and/or sales amounting to more than $500,000 must file a return. At that time, these were considered large businesses. Since then, inflation among other things has weakened this definition, and throughout the years, over 90,000 additional corporations have fallen within the purview of the act, most of which were small Canadian-owned businesses which were not originally supposed to be covered by the act. Bill S-10 should dispense more than 70,000 such businesses from having to send in a return pursuant to the act by multiplying by 20 the original threshold for a mandatory return, which was, in fact, completely unrealistic.

Businesses with assets of at least $5 million and with minimum sales of at least $10 million will have to file a return. The bill will also require all corporations with a measure of foreign ownership to file such a return. In order to avoid any duplication and minimize the number of replies, eight existing questionnaires will be combined into one and the returns will have to be consolidated. Bill S-10 provides that the returns should be filed on a modified calendar year basis, March 31 being the filing date. It will thus be possible to provide consistent information and to table annual reports in Parliament within 12 months following the end of the reference period.

● (1530)

[*English*]

At present, only aggregates of financial data collected under the act are available to users. In many instances, this does not satisfy the needs of government policy departments that require data by individual companies to prepare policy recommendations and analyse their effect. As a result, companies continue to be faced with ever increasing information requests by various government departments.

Bill S-10 proposes to re-establish the conditions which existed prior to the 1965 amendment to CALURA when officials of the federal government had access under the act to financial information provided by individual companies. In this way, the growing needs of policy departments in examining critical economic issues will be met without creating new demands upon business.

However, access to identifiable data for both financial and technology transfers proposed in this bill is more restrictive than it was prior to 1965. First, regulatory agencies, or parts of government departments having regulatory or investigative powers, will be excluded from such access.

Further, this access will be tightly controlled. The information will only be available to analysts for policy purposes upon request of a minister and with the approval of the Chief Statistician who will further specify the manner and conditions of such access. In addition, the bill provides severe penalties to both collector and recipient of such identifiable data in case of disclosure to unauthorized persons. In this way, Mr. Speaker, we are alleviating the concerns of the business community whose views were obtained in discussions earlier.

To improve the government's understanding of the flow of technology from abroad—and this is one of the areas of complete novelty—the bill provides for the collection of selected data on technology transfers. Collection of any data in this area will be preceded, of course, by consultation with business. To alleviate business concern, this bill provides that data to be collected will not include any scientific or technical description of any product or process. It was evident that industry was concerned when it made representations to us that the data which would be collected would not be, in effect, such as to impair in any way commercial or technological information which could be useful to a competitor. Therefore, we have eliminated information of that nature from the reports which must be filed. Returns on such transfers will be made available within the federal government for policy analysis but, as with financial data, this access will be tightly regulated.

CALURA has given us considerable insight into the area of foreign ownership and control of companies operating in Canada. For instance, from the 1978 CALURA annual report just tabled, we learn that the top 500 non-financial enterprises in Canada account for 53 per cent of sales, 66 per cent of assets, 66 per cent of profits and 70 per cent of equity. Some 274 of the 500 were foreign controlled corporations.

In addition to ownership information collected under the act, we have produced a highly popular directory entitled Inter-Corporate Ownership, which shows who owns and controls business in Canada. This publication has served executives, market managers, investors, journalists and economists by providing detailed information on the corporate structure of the Canadian economy. Those of us who have paid some attention to the relatively recent publication entitled The Canadian Corporate Elite will see a large number of citations within that publication which are owed to CALURA.

Ownership information collected under CALURA is not confidential and is available to the public through the Department of Consumer and Corporate Affairs. In the interests of such public information, Bill S-10 proposes the following improvements: corporations having 50 or fewer shareholders will be required to report to beneficial shareholders. All other reporting corporations may use their share registers to report on shares held. In addition, all corporations will report on options and voting rights held by their directors and the names of any corporations where they have 10 per cent or more of voting rights.

These measures are designed to provide Parliament and the public with accurate and up-to-date information on the ownership and control of corporations. Further, these measures, when integrated with financial information, will achieve a more accurate determination of foreign control and the concentration of corporate power.

[*Translation*]

Changes affecting labour unions will also lead to significant improvements in the administration of the act, the quality of data and the timeliness of reports. In order to give a more comprehensive image of labour union activity in Canada, the definition of a labour union will be extended to cover any association that has as one of its purposes the regulation of relations between employers and employees. The new definition will include the returns of independent, unaffiliated unions having no premises. In order to give a more comprehensive image of the financial activities of labour unions in Canada, international unions will be required to report all the direct revenues from their Canadian subsidiaries, as well as all expenditures directly related to their Canadian activities. Moreover, financial data pertaining to special funds, such as pension and strike funds, will have to be reported separately from the labour union income and general expenditures. Therefore, actually published financial data will give us a clear picture of the nature of economic and financial activities within labour unions; the quality of the annual report on labour unions will be improved significantly, which will facilitate the preparation of the comparative analysis provided for in the act.

Further, international unions will be able to file a return, in the form of a note, concerning all the expenditures incurred on behalf of their Canadian members. Such returns will be examined by the CALURA administration with a view to developing an efficient reporting and analysis system for these types of expenditures within two years after the coming into effect of the act. As far as membership is concerned, Bill S-10 will include a number of improvements leading to better information and enhanced usefulness of the data collected. In the first place, unions will be required under the act to submit reports on membership on a calendar year basis. And, finally, data will be immediately made available to federal and provincial departments for the preparation of statistical reports, which will reduce the need for overlapping requests.

Finally, with a view to reducing the time needed to submit the annual report to Parliament, unions will be required to file their returns within 90 days after the year under review. Mr. Speaker, before concluding, I would like to emphasize that Bill S-10 is the outcome of tremendously important studies and discussions. This is an improved bill, reflecting a number of concerns expressed when its predecessor, Bill C-7, was considered by a committee of this House. For instance, the clause providing for a 90-day notice in *The Canada Gazette* before regulations come into force is another feature of the bill now before us. This measure should reassure to a large extent business and labour, which will now know that consultations will be held on any contentious aspect of the CALURA questionnaire.

● (1540)

[*English*]

As I pointed out earlier, the bill was further improved by an important amendment made in the other place in response to business concerns. It reflects many responsible suggestions expressed along the way. I am confident that Bill S-10 is a sound bill which merits the support of the House.

In conclusion I simply say that we have been well served by an initiative which is now 18 years old but in effect has proved its worth. In Canada we have a particular position, being so close to a major political entity, an economic entity and a union entity, such as the United States. Our correspondence and communications with that country have created specific concerns among Canadians. A large number of these concerns have been alleviated as a result of CALURA in the past, and the substantial improvements we are proposing will improve the system as it exists now.

Mr. Stevens: Mr. Speaker, the hon. member for Capilano (Mr. Huntington) will be our first speaker, and I may speak a little later. However, would the minister entertain a question at this time?

Mr. Blais: Yes, Mr. Speaker.

Mr. Stevens: Mr. Speaker, the hon. minister has referred to Bill S-10 as being the fruit of study. He states he has taken into consideration many different factors. Could the minister tell the House whether any evaluation was made during that study of what is the cost of complying under the act for business and for consumers throughout Canada? Is there some estimate as to what it is costing businessmen to comply with the act as it now exists, and can the minister give us any estimate as to what it will cost businessmen to comply with the new act if it is passed in its present form?

Mr. Blais: Mr. Speaker, the amendments that we are proposing will remove a large number of the smaller corporations which have perhaps felt that complying with the act or conforming to its exigencies was an expensive proposition. The raising of the threshold to $5 million in assets or $10 million in gross sales and the requirements that are imposed under the act are very slight indeed when you compare them to the total revenues of the companies.

I do not have with me any information in terms of the total cost to any individual company of completing a form on an annual basis. However, I would suggest to the hon. gentleman that it would not appear to have been a concern of any of the companies with whom we have had exchanges.

Hon. Ron Huntington (Capilano): Mr. Speaker, I have listened attentively to the soft salesman's tones of the minister responsible for Statistics Canada who has just finished introducing Senate Bill S-10.

This bill is one of the omnibus amendment bills. I was made aware yesterday afternoon, sometime after four o'clock, that it has been selected to become the business of the day. In other words, I guess the House leaders treat these types of bills as Friday bills, and this happens to be a Friday bill which has been inserted on a Wednesday in the hope that it will slip through.

I first became aware of CALURA in the thirtieth Parliament when I was preparing, over a period of nine or ten months, a submission to the Bryce Commission on Corporate Concentration. As most hon. members know, my experience is with small to medium business in Canada and I believe rather strongly that a sense of individualism should survive in the country. Therefore, as I watch us drift closer and closer into a corporate society where we will be collected into larger and larger masses of units, I keep struggling both through my work in the House and with bills, such as this one in the hope that as a result some sense of individualism will survive in our society.

The practice of allowing this type of bill, which is full of amendments, to slip in as a Friday bill in the hope that it will pass through the House in one day and not be noticed, is a very dangerous practice that we are allowing the government to follow. By listening to the minister, as we did today, I came to the conclusion that he really should be a soap salesman. His product is so slippery that it will not even stick to the body. He quietly told us that the bill basically has three parts. It requires corporations to report.

Very lucidly he gave some statistics to show the value of this reporting to society. We have so many corporations in Canada and so many of them are foreign controlled, but never think of thanking foreigners who invest or bring technology to the land. What we want to do today is to punch them out. That seems to be the emphasis.

The minister also told us that the government wants to bring unions under control and it wants to collect information on unions and on union information movements, that is, Canada vis-à-vis the United States. That is all very well and good and I think most of us understand that.

The minister then very quietly introduced the information aspect of the bill. He told us how important it is for us to get some kind of inventory and handle on technological information, intellectual property, trademarks and patents, and so on. If some of us were not aware of what is going on in this country, we might let that slip by us.

I hope the gentlemen behind me on this side of the House will assist me in demanding that there be a full and lengthy debate on the intent of this type of legislation. What we are really dealing with is the beginning of a move to an interventionist, highly structured type of society. We are moving away from the rule of law and away from a respect for property. We have seen that in the constitutional debate. We are moving now into a situation where this is the beginning, the essential element, before the competition act can be brought to this House, when things as important as this are being slipped in through an amending bill which even lawyers cannot read or make any sense out of.

This is an extremely difficult bill. I was belittling myself last night in trying to get through this bill and to understand it. Usually the first thing that happens is that someone over there says, "well, the hon. member hasn't even read the bill." I will put it on the record right now that I have tried to read this bill. I did not understand it. Last night and early this morning I got copies of the Senate debates and Senate committee reports. In all the spare time I had today, I got only that far, but I still have a long way to go. The minister has talked about an important amendment being made in the Senate. With all the deliberation that took place in the Senate, I think the Senate essentially has missed the point and the intent of this bill.

Some members in the other place were suspicious and were asking key questions. However, they did not have the knowledge or the awareness of the grand design and the grand plan which will take us beyond where we are into a highly structured form of government. It is interesting that there is an increasing use of omnibus bills for masses of amendments in which there are some biscuits and cookies, like the minister's little gift, and I believe it was the former president of the Treasury Board who announced it, whereby 50,000 small Canadian corporations will be eliminated from reporting under CALURA.

• (1550)

In the thirtieth Parliament when I was doing work on a view from the street of corporate concentration, what attracted me

to CALURA was four or five small businesses in Quebec which had been taken to court and fined under the powers of CALURA. Some of those businesses no longer exist. In fact, I do not know if any of them do. Those little businesses had to pay fines of $700 or $800.

On the other hand, while doing my work on corporate concentration, I found that the holding company for Power Corporation had never filed under CALURA. If Power Corporation or the holding company had been treated in the same manner as these small businesses, which the government likes to talk about protecting and reducing the burden on so much, the holding company for Power Corporation would have been subject to fines of over $3 million. However, they were not taken to court.

CALURA has been on my mind for some time. It is an important piece of legislation that has not been attended to for some time and that needs amending.

Since coming here I have developed a very suspicious nature and my whole personality has changed, but never did I realize that under the guise of Statistics Canada would information be collected which would be the trigger and the key to the sections of the new competition act and competition policy pertaining to intellectual properties and patents. Until this act is passed, the government cannot move to the second phase of their structured society, and bring in the competition act for full and meaningful debate.

As I stand here today, I could speak fast, in emotional, excited terms and conclude in 20, 30, 40 or 50 minutes. However, I am going to take my time because I do not want this bill to be given second reading until members have been awakened to what we are dealing with within this very confused type of legalese.

I find it offensive that more and more often notification of this kind of legislation comes to us late the previous afternoon and is given low priority by the government House leader. He slips it in hoping it will pass. I do not think this bill should pass until members are aware, and use the opportunity to debate the intent of this bill, of just what is going on in this country.

Basically I will direct my remarks to the information sector of the bill because that is where my concern lies. I am reminded by this type of technique of the omnibus bill on metric measurement being slipped through the House back in 1976. Members became emotionally tied up in hectares and tonnes of grain because of all the emotionalism and populism that existed on that subject. There was a sentence in one clause that not one single member of the opposition understood. However, when we started to study metric some two years ago, we found that that clause made Canadian standard measurement illegal.

That is what is going on with legislation in this House. As members, particularly of the opposition, we should stand on guard to expose this type of practice. We should make sure we do not let innocuous sentences, or anything covered with the minister's soft soap, slip by. The hon. member for York-Peel (Mr. Stevens) advised Your Honour that he will be speaking on this bill. I hope other members will do so as well.

What we are dealing with in terms of type and style is a structured society, which is the whole thrust and design of the present Liberal government and has been for many years. It is a behaviourist type of society where laws are designed to restrict rights, where people are expected to be involved in widely diverse activities and live under the rule of law, and where respect for the rule of law is absolutely essential. They can work within the laws of the land with a degree of freedom, without arbitrary acts and decisions by bureaucrats interfering with that freedom and the desire to be free, energetic and to create wealth.

For the past 15 years we have seen a slow, steady deterioration of that aspect of life in Canada which I was brought up to respect and revere. It was full of faults and flaws, but it evolved from and came out of the Magna Carta. We in Canada are grateful for our freedom. It is the one system that has enabled men living through the ages under a type of parliamentary system to survive the forces of change and still remain free.

As the government moves away from the rule of law and into structure, which this bill starts to do, it loads the breech, putting in the pellets. In my opinion, by doing that, however sincerely, we begin to threaten the very foundation of our freedom.

There are strong moves taking place. Canada has become the laboratory for centralized power and centralized government. We are trying to remove and negate the checks and balances that are at the second level of government in the country, the provincial level. For some of us it is very worrying, even frightening.

The United States has survived because it has had checks and balances built into its system between its federal and state levels of government. I cry out when I see the checks and balances in this country being interfered with, as they are through the constitutional debate and under the guise of a bill of rights in which we are all interested. To me, a bill of rights is protection for minorities and individuals against arbitrary acts on the part of government. That is where it should stop. When we go beyond that, we start to say what our rights are and we start to wipe the blackboard of our common law heritage.

I should like to make it known now as I make my comments at the start of this debate, that I believe in a behavioural type of society. The problem the government is trying to address with its competition law, with its inventory on patents, trade marks, copyrights and all that is contained in Bill S-10, would be unnecessary if we had a strong anti-trust law. Those who stepped outside that strong anti-trust law would be clobbered. In the United States there is a fear of stepping outside their anti-trust laws. The multinational corporations and the large mass of corporations that have almost as much power as the government are terrified of it. That is the way it should be. That is the only way to handle that class of power.

What we have here is an inventory of the owners of all the rights. They are extremely interested in all the intellectual property rights that are transferred to Canada. They are not limiting themselves or dealing with the intellectual property rights and areas of only the multinationals and foreigners. They want all the private owners of these rights registered and in their files as well. I wonder if we have figured out what is coming down the pipe next? Some of us might be labelled as being very suspicious. I can see, without having to be too intelligent, and I have never posed as that, that we are delivering ourselves at a hell of a rate as we are now going with the Constitution, acting on that, with the attack on property rights within the Constitution, with the national energy policy, which is confiscation, although they say it is Canadianization, which is hogwash.

• (1600)

You can Canadianize in Canada with fiscal policy, to which the people react. All that we talk about having happened can be done with fiscal policy, which allows the people to work, create and have a little more of the results of their sweat for themselves. We put in laws that have made it almost impossible for those few people in Canada who are capable of managing and co-ordinating all the aspects and factors of business life for the creation of jobs and payrolls to continue, and we have done this with high interest rates and the 83-cent dollar. Perhaps that darn thing should be down around 75 cents. It only benefits the resource industry and makes more and more draw and pull out of the wage packet. I want to tell you, Mr. Speaker, that managers and owners of small and medium business enterprises today are working for paper pushers, working for the government, working for landlords, scratching and trying to keep a balance sheet solid, working for payrolls and getting no thanks at all. Labour laws make it almost impossible to remove people who will not pull their fair share of the load. No wonder more and more people who have tried to dedicate a good part of their life to the public service are having to return into that sector in order to handle the pressures there are today.

It would be blind and foolish of me to say these pressures do not exist throughout the world and throughout different western societies, but these pressures are caused by governments which want to distribute more wealth than the system can create. We have gone beyond the point of no return. Sooner or later, somehow, we must have a corrective reaction, but it does not have to be a bust.

The government provides no leadership at all in warning the people or in delivering to them an industrial strategy or plan that will let us understand the problems of human nature within a free society. Therein lies the problem. We all want more than we are prepared to give or to put in. The socialists, with envy—I guess it is envy—continually attack those people who were born, educated or put into circumstances whereby they could put a combination of education and fact together into the bloodstream, risking savings, taking a chance, creating jobs. All of that is static in Canada.

As I have watched the last ten years in Canada, I have almost cried, because every single major project we have has now been put on hold or on stop, and has been attacked by our NDP friends to the left. Every single major project that could create jobs in Quebec, the Atlantic provinces, across the prairies and in B.C., including new transportation systems with new trucks, new steel, new pipes, new communities, new pumping stations and new taxes; every single one of these projects today which could relieve the billion dollars of draw in unemployment insurance on the federal treasury has been stopped or placed on hold. What a tragedy.

We have had two days of debate on North-South relations. There is a great world debate about how much progress the world can stand, for the injustice of progress is that the first world, the western world, the second world and the communist world depend completely on progress, on growth in gross national product for the well-being of their citizens and for the sustenance of the anticipated levels within those respective societies, so 20 per cent of the world's people are drawing and calling on 85 per cent of the world's resources.

Canada is playing a game. We cannot settle our problems internally, we cannot get an industrial strategy that has any forward planning, but we are drawing non-renewable fossilized resources from the other world. These resources could be available to the Third World because we are capable of providing our own energy internally. The greatest single donation we could make to the Third World—

Mr. Blais: Mr. Speaker, I rise on a point of order. I simply want to advise the hon. gentleman, the hon. member for Capilano (Mr. Huntington), that this bill is to amend the Corporations and Labour Unions Returns Act, and that act is to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada. I have listened with a great deal of attention to the hon. gentleman's comments and I have still to hear any comment that relates to any of the amendments we are proposing or any of the principles espoused under CALURA.

Mr. Huntington: Mr. Speaker, I am the first speaker to reply to the government. I have stated that I am offended by the government trying to sneak this bill through—an omnibus amended bill—an issue as serious and as important as the control and inventory of intellectual property, and that is what this bill is doing. If the minister does not understand that, instead of getting up on his feet maybe he should sit around and listen. He acknowledged and thanked members of the other place for all their work. I have told the minister that they missed the essential issue. Perhaps the minister does not understand the game plan. Maybe if he listened, he would understand. I am not going to rush through and deliver this all in 40 minutes, so he has a bit of listening to do.

I was saying, and all this relates to what I am going to say, that we in Canada can make the largest single donation possible to the Third World by getting our act together at home and withdrawing our demand on the Third World for

non-renewable fossilized resources. We are totally capable of doing that internally, except for the fact that the process of doing that is caught up in this revolution, in this structured and interventionist society which this incumbent government is now trying to design and impose on us. This started with the constitutional debate, and the other big hammer was the national energy policy. Now we are starting to get into the nitty-gritty, the sleazy, sticky stuff, sold by the softsoap salesman who just finished introducing the bill. We have a trademark package, right on the line. We have Bill S-10 before us in the House now presented as a private bill so it can slip through so nobody will notice it, and right behind it comes the competition bill.

• (1610)

It is interesting to look at the competition bill and the memoranda which have been leaked out and slipped out. Some major changes have been made in the draft of the competition bill. But they are not going to follow the behaviourist pattern of which I have acknowledged I am in favour, in that we should have strong anti-trust legislation, and we should clobber anyone who does not abide by that legislation. Rather than that principle—and this is the philosophical, political debate which is going on, and that is why the minister does not understand what I am saying—what we are now doing is moving into the grand design, the plan for structure and intervention not only in the multinationals, not only in the large corporations, but also in business of the private owners of intellectual property. What is interesting is that in spite of all the additions, changes, amendments and redrafting of other aspects of the bill, the patents clause in the competition bill is pretty well taken verbatim from Bill C-13, so there has been no change in that area.

Here we are with Bill S-10 as the key to the delivery of the competition bill into the House, and a major thrust of that strategy is going to be in intellectual property. I link that back to the debate on property in the constitutional debate because what they are after in that debate is corporate property and intellectual property.

It is interesting that Bill S-10 comes right in after we have had two days of debate on North-South relationships because the North-South question is very much involved in this whole issue. And here comes Bill S-10 right in behind it.

I remind hon. members of a speech I gave some time ago. I will not repeat it, but I referred in a speech in this Parliament to what I consider to be a very important paper, namely, "The Fate of Empires," by Sir John Glubb. This was originally published in *Blackwood* magazine in November, 1934, volume 320, and in December, 1976, permission was given to the Canadian Law Society *Gazette* to reprint it. Sir John Glubb gave us a very interesting analysis of the rise and fall of societies and civilizations from the year 800 B.C. all the way through to the present time. He related the problems of human nature in societies, connected up some ten civilizations and said that these stages of the rise and fall of great nations seemed to be the age of pioneers, that is, the outburst of the nation when people are pioneering and not heavily in demand of material goods. They are pretty close to the basics of life, and they have that dream and future ahead of them. It is an outburst. That is where the vitality and strength of new nations start. Then there is the age of conquests and the age of commerce, and we have seen all that through Europe. We just have to go back through some ten civilizations to follow this.

Then there is the age of affluence. That is where our trouble starts. That is where the rot of human nature starts in social man. From the age of affluence Sir John Glubb identifies the age of intellect. I wanted to raise that because the designers of the strategy I am putting before the House right now are intellectuals. They are very bright men. They have not wasted their time. They were gifted with good minds and good memories. They studied hard, and they have acquired senior positions in the bureaucracy of this democracy.

We go through the age of intellect in all of these ten civilizations, and then we come to the age of decadence. In each of those ten civilizations, intellect preceded decadence. Then Sir John Glubb went on to say what decadence is marked by and so forth. I put that on the record and into this speech because what we are dealing with is the design of intellects.

We have passed through the age of intellects in Canada—we are still dealing with it—and we are well advanced in this society into the age of decadence. We do not learn from history. Someone said that if we do not learn from history, we are bound to repeat the mistakes of the past. I would like to see some of the intellects and some of the brains in this House in all parties apply themselves to the problem of human nature so that we do not have to continue to move into a highly structured interventionist society of which this Bill S-10 represents the pellets in the gun.

There is a linkage. I have talked about the inventory of information which will be demanded. It is a non-voluntary inventory of information. It is going to be mandatory. In the future, after the competition bill is passed that information will be facing foreclosure if it does not meet certain demands. It will be facing revocation because the writings are all in the background literature to all this. It is in aid of Third World countries, and believe me, we have to assist them, but how far do we go in our assistance without having the economic community of the land aware of what the game plan is? That is why I am on my feet taking some time to make a few points here today.

There is a linkage between all of this legislation. There will be Bill S-10 and the information aspects of the CALURA bill. There will be inventory and control. Once they have that, they know where they are, and they have the inventory for the next phase in the competition bill, but there is another bill which is linked with this too, and it relates to FIRA. Mr. Speaker, I know you do not have to read as much as some of us because of your new duties, but you will have to be aware that the FIRA bill is under revision as well, and the drafters of that bill will be linking up Bill S-10, the proposed competition act, FIRA and the new patent law. They are all interrelated. This

will deliver the structure and potential for arbitrary rule over the wealth-creating sector of this country. I do not know whether as a member I can do anything about it, other than to use my privilege here in the House to stand and make my colleagues aware of what is happening, but I do not want to live under a structured society.

Mr. Collenette: Anarchist.

Mr. Huntington: Anarchy is so close in this country, my friend, that you cannot see it.

Mr. Collenette: You are an anarchist.

Mr. Huntington: I am not. You called me a racist back in December of 1974, and you have been proved wrong. Mr. Speaker, the hon. member tells me I am an anarchist. He does not know what he is talking about.

Mr. Collenette: You do not want structure; you are an anarchist.

Mr. Huntington: I do not want structure. I want laws which spell out behaviour and rules we can live under without the threat of arbitrary intervention in the lives of our citizens and in the lives of the wealth creators of the land. That is what I want.

Mr. Collenette: Dictator.

Mr. Huntington: The hon. member says "dictator". He is so conditioned and inbred in terms of his opinions and in terms of political gains and political strategies that he just cannot let a crack of light in through his eyes to open up his head a little and see if the other guy could possibly be right. That is all I am asking. See if I could possibly be right. Perhaps the hon. member has not done as much reading on this subject as I have, but that is one of the reasons I sit in this House. For many years I have seen the forces of change on society in a country for which I have always carried a very deep love and respect.

Mr. Collenette: What is wrong with change?

Mr. Huntington: There is nothing wrong with change. We are dealing with it every day in our lives, but I do not fully understand why this government is changing a system which has been very successful in protecting liberty and freedom. I do not fully understand why we do not impose change on the flaws and faults in the common law. That is what we should be addressing, not structure and not the threat of arbitrary intervention. We should address the possibility of some fisheries officer saying, "If you do not do as I say, I have a friend in the income tax department".

If other hon. members have not experienced that, I probably have five documented cases of it. I have another case of a civil servant who threatened a supplier with friends in the income tax department. That is the kind of thing I am talking about, not when there is justification for my case whereby I can react under a fiscal policy, an incentive that will allow me or shareholders or partners to go out and risk money in the hope of putting together an economic unit that will have staying power. Today this government wants us to come in and ask for grants, tax credits and everything else. Well, Mr. Speaker, the problem there is—and again minds like the hon. member opposite will not let a thread of light or knowledge into their heads because only the big guys, the big corporations, the multinationals burying earnings in overhead for their own benefit can afford the staff, the lobbying and the time necessary to deal with the bureaucrats behind the scene—

● (1620)

An hon. Member: The member is blinded by ambition.

Mr. Huntington: That is a serious issue today. I asked a question of the Prime Minister (Mr. Trudeau) yesterday but I was a little too long in the supplementary and Madam Speaker did not allow me to finish, but on that very issue, Mr. Speaker—I hope it is not my wetness, sir, that is causing you all the trouble in the chair. However, yesterday I noticed that *The Globe and Mail* editorial picked up on the issue I was raising, the curse of intervention. The hon. member opposite might just think about the contents of that editorial. I know he probably never gets below the three inch print on the front page of a newspaper, but sometimes back in the editorial pages is the heart and core of public concern.

I am using my time here, Mr. Speaker, to reiterate my concern for the threat to my freedom and liberty and that of the people I represent when we allow a structuralist and interventionist motivation and thrust by this government to deliver that arbitrary, come-cap-in-hand, yea or nay situation in our lives. That just brings more and more control over individuals. I know full well, because I am standing here saying these things and have said other things in the past, and have the courage to do so if I might say, Mr. Speaker, I know that I cannot go and get a grant, a privilege or a tax credit because I am a bad boy. That is the way it is going to be. They are going to bring us all as individuals to heel starting with Bill S-10, and the constitution and energy bills. We are delivering ourselves to a controlled and structured society and it is time members of this House woke up to that fact. It is time the public out there woke up to that fact. Bills like S-10, with their amendment confusion and their omnibus nature, are intended to hide the type of activity that is carried therein.

They come out and tell us that 70,000 small businesses will not have to report, that we have removed this paper burden. It seems to me that the hon. member for York-Peel said that at the last election, and here we are recycling it. We have moved the threshold, as of course we should, from $250,000 in assets or $500,000 in sales, up to $5 million in assets and $10 million in sales. We have relieved 70,000 corporations from reporting under the act, and that is the big headline, the big issue that the minister shovels out into this House.

However, underneath that camouflage is this other cynicism. I repeat, I am aware that the section requiring reporting of technology transfers into Canada will open up a whole new can of worms. If the minister thinks he is going to have a good

time with this, I sincerely hope he is mistaken because I can see that what was missed in the committee proceedings of the other place is being opened up now. I think it is a very sleazy game they are playing.

What they are in fact doing is trying to copy an act already in place in Mexico. I also assume they have had a good strong look at Japan. I think the minister mentioned that in his speech. What Japan does is to take another tack. They want to have an inventory, a register of the intellectual property going in and out of that country. But boy, they are tough. If they are going to receive property and manufacture it, they are going to demand that their manufacture be sold in other markets. I do not see this bunch of great industrialists and businessmen over there ever having the guts to do that. I did not see any trade-offs with Japan in terms of the infrastructure required for northeast coal. I will be one that will support an initiative to trade-off Candu reactors in Japan for the availability of a non-renewable resource like northeast coal, one of the most valuable coal beds in the world. Why should we be selling off our resources when we do not have the maximum value added?

Do you know, Mr. Speaker, that you can electrify the city of Vancouver with the exothermic reaction from the coking process? Do you know that coke is worth about twice as much as coal in raw form? We do not want necessarily the coking process because it affects our environment and we have those concerns, so we make these kinds of trade-offs. However, do we really sit down with an industrial strategy and deliver intelligent, forward looking, strong trade-offs when we are dealing with the selling out of our resources? In our greed and selfishness we want it all today and we do not give a tinker's darn about our kids tomorrow.

I have been waiting for this industrial strategy of the Minister of Industry, Trade and Commerce (Mr. Gray) because, boy, if it does not have the guts that this country deserves—he has been talking about it forever. He is the guy who was going to resign, Mr. Speaker—or have you forgotten—when interest rates went up to 14 per cent.

Maybe while I am on my feet, Mr. Speaker, we should talk about that a little. The structural need in Canada today should not be patterned on the needs of the United States. The history of our needs and growth is different to that of the United States. Why do we not have a debate in this House on what would happen if we lowered interest rates and let the dollar fall? Why not have a standing committee sitting continuously with a hammer and tong draw on all the debate of the economists and others not so formally trained in this country? We cannot continue to go the monetarist route and survive with any semblance of freedom under the rule of law.

Mr. Rae: Tell that to Crosbie.

● (1630)

Mr. Huntington: Is that perhaps part of the design of the structuralist, interventionist government? The initiatives are there. The tools are available all over the Hill to conduct exciting debates on issues of importance. Do they initiate them? Do they use them? The answer is no. They talk about an industrial strategy. Where is it?

I am very pleased to see the hon. Minister of State for Small Businesses and Tourism (Mr. Lapointe) in the House. I should like to ask him: where is the study on the small business financing review? Is it buried in the industrial strategy? Is there not an hour of need right now for this study which has been ongoing for so long that I think the ink on the first pages has faded? Where is the study? Most of us know the answers which need to be put in place. It is difficult to create any new wealth today out of the earnings of the small businesses sector. It is difficult for small businesses to develop new plants, to remain productive and modern. They cannot accumulate the equity they need. Why is the minister not picking up this hour of need in Canada and coming out with creative and thoughtful initiatives?

The work in this regard was carried out by the previous Liberal government and the Clark government, and now it is being carried out by the present government. If the Minister of State for Small Businesses and Tourism wants an audience, or if he wants to draw on some of the brains and talent in the House and the business community for the final drafting of the report, there is nothing we would be more pleased to do. In the palm of his hand, in his ministerial power, he has one of the best chances to make a donation to the community on top of which he is supposed to be sitting. I am sure he finds the peak of the pyramid sharp and uncomfortable right now.

Why are they delaying that issue, with interests rates running at 21 per cent to 22 per cent and the dollar at 83 cents? Have we debated in the House what a 75-cent dollar would do for awhile? Would it bring down interest rates four or five percentage points? Who would benefit? Who would make windfall profits to offset the other costs? They are drowning initiatives and they are drowning individuals in preparation for a structuralist, interventionist society.

There is a great deal of sincerity in the New Democratic Party. I can relate to much of what members of that party do, but when they continually raise their concern for the small businessman, I become concerned. Will their concerns help us to get to the issue upon which the Minister of State for Small Businesses and Tourism is sitting or perhaps sleeping? Will their concerns help us deal with the issues of interest rates and the value of the dollar? We are playing political games with each other and we all know it. We do not do a service to Canadian constituents at large. We are all working away at narrow political points. It is beyond me. Their constituents are the labour unions and the big unions bosses who are expert at grabbing more than their fair share from the system, and all the unorganized can go to hell.

Some hon. Members: Order!

Mr. Huntington: That is about the way it is. We are not doing anything in the House about the absolute absence of any discretionary spending for those people who spent their lives working and are now on fixed pensions, but we have destroyed

multibillions of dollars of capital by allowing interest rates to rise as they have.

Perhaps we require a debate on how to fill the coffers of an international reserve fund which will stabilize the pressure on the dollar and give us a chance, with a sound industrial strategy, to get back on track. We have ten years of hard, disciplined work to do if we are to avoid a collapse of the system. The hour is upon us. It behooves us all to become involved in the issue, but the Minister of State for Small Businesses and Tourism is sleeping on one of the most valuable and perhaps one of the most important studies to the small and medium enterprise sector. There is a crisis, there is a need right now, but the study is buried in his boss' industrial strategy. They have to complete all the work on intellectual property, on the inventory and on the competition law; they have to get the constitutional law passed. Their priorities are so screwed up it is unbelievable. It discredits the whole system.

I read the speech of the hon. minister on Bill S-10. I understand some of the advantages he described, but I want those points made clear in committee. I want some of the intellectuals behind the drafting of this pyramid of bills, this interconnected triangle of bills and legislation, in committee. I want some of the intellectuals from the community at large to assist hon. members of both opposition parties in preparing debate and questions for those intellectuals. This is where the system fails miserably.

The biggest problem in Canada is the structure of Parliament. We have lost complete control over the power of supply. Our committees system and structure will not let us work on any continuity of thought. We do not have a secretariat behind our committees to match the expertise of the bureaucrats. Therein lies one of our biggest flaws. This is what we should be addressing first. The constitutional issue is not doing that. We are not throughout any of the constitutional debate addressing regionalism, which is the biggest, single, most serious problem in Canada. There is regionalism in metropolitan areas, in provinces and at large in the land. This structure fails to address and link up the regionalism. It wants to destroy regionalism through a central unitary state and it will not work.

I am taking this time because I feel the great debate in Canada can be resolved with an industrial strategy. It can be resolved under the behaviourist philosophy wherein we design laws which tell people what they can do. If they do not obey, we must have the courage and guts to enforce it. If we are to do that, we must address the needed legislation to improve the respect for the rule of law in Canada.

In closing, I should like to talk about the research and development policy.

An hon. Member: There is not one.

Mr. Huntington: That is correct, there is not one. For years we have listened to all corners of the private sector tell us what we need in the way of research and development. Basically we need an incentive in our fiscal policy which will allow the entrepreneurs in the boardrooms of the nation to make decisions and to invest high-risk money in unknown areas and in unknown frontiers of technology, on the chance that there will be a reward down the road.

To offset that decision risk, all they ask for is a 25 per cent credit; in other words, 125 per cent of cost. There is no sense doing this for multinational organizations which are already spending millions of dollars of research money, but we could give them an incentive to increase their activity. We could give them the 125 per cent rate on incremental increases over their respective bases. But no, all energy and talent at large in the land is frustrated. They must come cap-in-hand with polished shoes, make appointments, wait in waiting rooms for some civil servant to process an application. Then they must lobby the whole system, and as the Minister of State for Small Businesses and Tourism knows, the small and medium-sized business sector do not have the time, nor can they afford it, for their businesses would go bankrupt.

• (1640)

Give R and D a chance. Give the brains and talent outside the government in this country a chance to prove that they can get it going. Our dilemma today started with the Benson tax legislation of 1971. That is when we started to move into the interventionist society. That is when our bureaucracy started to build. That is when incentives ceased in any savings process in Canada, other than turning every single Canadian who puts his money into a tax shelter into a future debtor of the state. That is what we have done. We have locked up all our savings in pension funds and RRSP funds and none of it is available to the world of work where the need for that dormant capital exists. The rewards are no longer available in Canada for the managers. The rewards are there for the paper pushers, the landowners and the absentee capitalists, not for the talent which can create jobs and add to the value of goods and services.

I would urge all members to read the editorial which appeared in *The Globe and Mail* today. It deals with the curse of intervention. We have been hearing this for five, six, seven, or ten years and the government will not allow a glimmer of light into its mind. I stand here and say to you, Mr. Speaker, that the path along which it is leading us will turn out to be one of the most tragic eras in Canadian history. We alone in the western world, the western industrialized nations, have the opportunity to be energy self-sufficient. We have the opportunity to put in place massive transportation systems in the form of pipelines. We have the opportunity to electrify railroads across the mountains and the west; and all that diesel fuel which is consumed by those railroad locomotives can be put back into the bank. All we have to do is give the railroads a tax incentive to convert from a non-renewable fossilized source of energy to a renewable electrical source of energy—I think 150 per cent would have done it. We would have had all of that in the bank. That is where the activity is.

The Cold Lake plant has been backed up, as has the new tar sands plant, as has the transportation system, and as have the pipelines for the flow of energy from the Arctic downward. We

will be in trouble with a small pipeline to get the oil from the Mackenzie delta down south. We have sent missionaries out into the field who have created activists in all of the outlying communities. And where a strong centralized state is wanted the government has worked harder to create a fractured state, particularly in the north. All of that was ours.

We were one of the few western nations which really could sustain a 5 per cent or 6 per cent growth in our gross national product without a draw on the Third World. We are one of the few countries in the western world with that gift of nature—and we throw it away. What will this government do when the national energy policy is finally settled? It will release the reins on two, three or four megaprojects. We will not have the skills, the trade, the labour, the steel, the transportation, or the people who are used to working. We will create shortages which will compound strikes. We will just drive up the price of everything. We will never have a secondary manufacturing operation in place with that kind of an industrial strategy.

The Minister of Industry, Trade and Commerce said that he would resign if interest rates went above 14 per cent while he was a member of any government in power. He is still sitting in the House and interest rates are at 21 per cent. He has talked about an industrial strategy ever since I have known him. Now is the time for an industrial strategy. Where is it? Instead of an industrial strategy this government would rather bootleg in bills like Bill S-10, which are a direct attack on intellectual property and on the future freedom of Canadians.

Some hon. Members: Hear, hear!

Mr. Rae: I rise on a point of order, Mr. Speaker. I wonder if the hon. member for Capilano would entertain a question?

Mr. Huntington: If I can answer it.

Mr. Rae: Mr. Speaker, I am sure the hon. member can answer it since it refers to the article by Sir John Glubb which he quoted once again. He referred to this article on December 18, 1980, in his speech during the emergency debate on the economy. As the hon. member pointed out at that time, Sir John Glubb lists a series of ages. When he comes to the age of decadence, as reported at page 5919 of *Hansard* for December 18 he said:

> Decadence is marked by:
> Defensiveness,
> Pessimism,
> Materialism,
> Frivolity,
> An Influx of Foreigners,
> The Welfare State,
> A weakening of religion.

Can the hon. member tell us if he agrees with that since he quoted the passage once again today? Can he tell us which foreigners are responsible for Canada's decadence?

Mr. Huntington: Mr. Speaker, earlier I was accusing the NDP of making cheap political shots when there is an opportunity to deal with very serious issues. Sir John Glubb's article is very valuable, if one reads it in its total context. I was not thinking of any specific type of foreigners. Sir John was pointing out that that has been a fact in ten previous civilization cycles before this one. He was pointing out that it is a fact of history. He says decadence is due to there being too long a period of wealth and power, selfishness, love of money and the loss of a sense of duty, which is the reason civilizations bring in people from outside. They no longer want to do their own work.

Mr. Rae: You agree that foreigners contribute to Canada's decadence?

Mr. Huntington: I will not answer the hon. member's specific question, because he is simply playing political games with a serious issue.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to speak on Bill S-10, an Act to amend the Corporations and Labour Unions Returns Act. I have quoted the motion since it appeared to me the hon. member for Capilano (Mr. Huntington) was speaking about everything but the bill before us. When he did refer to it he referred to it in a negative way. I remind the hon. member that it was the Conservative government under Mr. Diefenbaker which brought in the original CALURA bill about which he spoke against so adamantly this afternoon.

Mr. Huntington: I was not speaking against his bill, I was speaking against the changes in this one.

Mr. Parker: As the New Democratic Party critic for labour relations I intend to limit my remarks to those aspects of the bill concerning trade unions. I am sure that other members from my party will quite adequately cover the provisions respecting corporations. My only comment regarding that portion of the bill would be that if CALURA has been as bad at reporting the true financial relationship between Canadian branches of U.S. companies and their parent firms as it has been in reporting the true financial picture respecting international unions, then we are probably completely foolhardy to base any of our economic forecasting or policies on those figures.

I am in a very difficult position in debating this bill. We in the New Democratic Party opposed CALURA from day one because we felt it was structurally designed to present an untrue picture of the way in which international unions operate in Canada. We knew from the first day that the figures from CALURA would be used by those people who would like to destroy the trade union movement in Canada. We knew that because the legislation was designed seriously to overestimate the amount of money leaving Canada while at the same time seriously underestimate the amount of money coming into the country, it would be used as a weapon against organized labour in this country.

• (1650)

My dilemma over the bill which is before us today is very simple. This bill contains provisions which will change

CALURA from being a very bad law into just a bad law. If we oppose these amendments then we are put into the position of supporting CALURA as it presently exists, which is completely untenable. However, if we support these amendments, which are only a series of poorly designed half-measures, we will be giving the new legislation credibility which it does not deserve. We will also be voting seriously to increase the workload on volunteer trade union members. Volunteer trade union members have a lot of work on their hands with regard to reporting transfers of membership throughout the various areas. But the reporting provisions in this bill will require that more information be tabled in less time.

We heard the hon. member for York-Peel (Mr. Stevens) ask a question of the minister regarding corporations and the workload they may have. I, too, want to ask that question regarding volunteer people in the many trade unions across Canada, in international trade unions, such as the railway workers. Volunteer people in the unions are not only trying to keep up with the secretarial work and the treasurer's work and the movement of memberships from one place to another, but they will now be requested to get their information into headquarters.

What we on this side of the House would like to see is not a debate over wallpaper amendments, but rather a debate on CALURA itself. We in the New Democratic Party do not oppose the principle that the true financial picture of trade unions should be publicly available. We would be as distressed as any group in this chamber to learn that union dues collected in Canada were being diverted outside of the country. We feel that Canadians have a right to know how their trade union dues are being spent, just as we feel that Canadians have a right to know how their tax dollars are being spent or how the income generated by companies operating in Canada is being spent. But we are not prepared to support a law which only tells half the story, a law which exaggerates how much money is collected and does not even bother to concern itself with how that money is used.

We also feel very strongly about the autonomy of trade unions in Canada. We have always supported the notion that Canadian workers should be in complete control of their own affairs, that Canadian workers should be able to decide how their union operates. But we reject the very simplistic notion implicit in CALURA that the level of Canadian autonomy in a union is a direct function of how many of its dollars are kept in a bank in Canada, as opposed to a bank somewhere else in the world.

Imagine if we used that very simplistic idea in determining the Canadian level of ownership in a company. Instead of concerning ourselves with how that company makes decisions, with how its board of directors is composed, or with what percentage of its stocks were owned by Canadians, imagine basing our decision on what constitutes a Canadian company solely on the basis of where it invested its earnings.

Would the CPR, which has holdings all over the world, then be viewed as a foreign firm? Would Imperial Oil of Canada, which operates exclusively in Canada, then be viewed as a Canadian firm? That sounds silly, but that is exactly the logic behind CALURA. We would be saying to the trade unions: "We don't care who makes your decisions, we don't care whether you are controlled by your membership, we don't care whether you are democratic, we don't care whether you have complete autonomy; we just care whether or not you happen to keep some of your money in a bank outside of Canada".

Of course, that is not what any of us would say. But that is not to say that we in the New Democratic Party are not concerned with where the money is kept. Speaking quite frankly, we would like to see as much of that money as possible staying in Canada. We would like to see Canadian pension funds invested in Canada. We would like to see Canadian dues and strike funds invested in Canada so that Canadian workers can borrow that money.

Those are concerns, but those concerns are not our greatest ones. We are most concerned that Canadian unions have the full protection they need to fight the sometimes terrible struggles with which they are confronted. We recognize that when Canadian autoworkers, for instance, are fighting Ford, or General Motors, or Chrysler, they need tremendous financial resources to win those battles. When Canadian workers are fighting the huge multinationals which dominate our economy, they need some pretty huge pools of money. The unfortunate reality is that there are not enough union dues in all of Canada to win some of these battles. That is when we recognize the necessity for international ties between workers.

I often wonder about the position of other parties in this chamber on this question. If I were slightly more cynical, I might feel that other parties here are not really interested in keeping our trade union movement strong. I might conclude that they would be most happy to see a small Canadian union fighting some huge American company. Those people who say that our trade union movement should be completely Canadian, that we should break all links with international unions, fall into two camps. A very small percentage of them are truly concerned with what they feel is foreign domination of our union movement. They are usually not acquainted with the facts. They do not know that Canadian trade unions, for the most part, are completely independent: that they elect their own leadership and make their own decisions. But the rest of the people who would like to break up the international unions have a hidden agenda. They know that in many industries the international union is the only salvation for Canadian workers. They know that when General Motors is bargaining in Canada they are bargaining with an international union with over one million members, not with a Canadian union that barely has 10 per cent of that number.

We in the New Democratic Party will be moving many amendments to this bill when it gets to committee. Frankly, we do not understand why on the one hand the law is going to require unions to file a report on their income, but on the other hand there is only a request that they file their expenditures in Canada. We want the law to require international unions to spell out in very clear language how their money is spent in Canada. We want them to itemize such things as the Canadian

share of the costs in running the international headquarters. We want them to itemize the Canadian share of the cost on the depreciation of fixed assets. If they do that, then maybe we will get a true picture of exactly how much money is either flowing into Canada or, in some rare cases, flowing out of Canada.

Finally, we are concerned about the impact that all these extra forms will have on the volunteer staff who must fill them out at the local level. I have often heard my friends to the right complaining about the paper burden which many small businessmen face when having to fill out government forms. I sympathize with those concerns, but I would suggest that in this case the burden is even more overwhelming, since in many cases the forms must be filled out by elected officials at the local level in their own time. I would like to see these officials remunerated in some way for work which they will be doing on behalf of the government.

• (1700)

In conclusion, let me just repeat what I said earlier. We in the NDP favour a law which will provide for the fair and accurate reporting of money spent in Canada and of money collected in Canada by the trade union movement. The present law does not come close to doing that. The amendments are an improvement, but even if they are passed in their present form, CALURA will not be providing a fair or an accurate assessment of how unions operate in Canada.

Mr. Scott Fennell (Ontario): Mr. Speaker, I was interested in the speeches from all sides of the House. When my colleague for Capilano (Mr. Huntington) referred to legalese, there were some smiles and chuckles from some of the intellectuals in the gallery. This rather interested me. They were sort of looking down upon us in such a way as to indicate, "We will erode your rights, we will take them away slowly but surely. That is our instruction and this is the way we will accomplish it." Eventually, under the plan of this government we will become slaves of the state. Each bill that comes before us slowly but surely takes something away.

There is a continual erosion and we have to put a stop to it. We on this side must do everything in our power to stop the destruction of this country, eliminating the free spirit which created it. People had to walk across this country behind caravans. We must protect them. That is why we are here today.

All that the amendments in Bill S-10 will do is create a great deal of employment for lawyers and accountants. If the assets of a holding corporation are $5 million, they must report. The act will have to be changed when I throw in this one. What is to stop them from changing the corporation into five corporations owned by the original owners of the one corporation? This is what the entrepreneur in this country will have to do. It is an expense. It is an indirect tax. It is an erosion of our wealth and of our rights.

What we have been getting in this House is regulation rather than reform, interference and control by this government with regard to the rights of every corporation, every individual, every home. It is taking away the free enterprise system that brought this country to where it was up until 1968. From that point on it has been straight downhill with one goal in mind, the goal of state ownership. The government wants to try in this country what has failed so dreadfully in Sweden and England and is in trouble in Russia. Why does the government impose this on us, taking away our freedoms and our rights?

The government keeps on spending money. That is the politically acceptable thing to do. It is now at the point where it is borrowing capital funds from foreign sources in order to meet its social objectives. Those objectives are important. But when this erodes the private sector of this country, it erodes the entire economy.

This government does not care about the private sector. It wants to get its hands on it. It wants to intrude upon it and erode it. I referred to other countries which tried this. Look at the Swedish model. Anyone who has been to Sweden will confirm that it is not looking well. Look at the British disaster. The present Prime Minister of Britain had great goals of trying to turn it around. I am afraid she is fighting a losing battle. Everything had been taken away from the private sector and given to the government.

It is too late for her, but I do not believe it is too late for the United States. That country is fortunate in having a leader who is communicating with the people, not telling them untruths. He is again giving them a spirit of freedom. The Americans are in the fortunate position that their private sector has not been eroded. They have the opportunity to bring that country back to the original system they were working under.

I cannot say that we should accept any other model. Our country is different. It is half a continent spread over 3,000 miles. It is not a cohesive country for geographic and regional reasons. It is not like France which has Paris as a hub around which its economy revolves. It is not like half of Germany with its hub around Berlin. It cannot be treated like England with its hub around London. The proximity and the thinking of the people is so close to those centres that they can communicate the common purpose. In this country it is different. We have different cultures, different languages and a much more serious problem which this government is not addressing. With its mandate, it has an opportunity to develop an economic system that would be unique to Canada. It must be unique to Canada because we are different from other countries.

The previous speaker talked about the inventory of rights. Our inventory is slowly eroding and washing away. The government is slowly but surely taking it or pushing it away. Look what it is doing with the National Energy Program, Bill C-48 and Bill C-57. It is forcing the wealth out of this country or underground and removing the funds from the private sector. By removing the funds as a result of borrowing at extreme rates, the private sector cannot get its hands on any funds. The government is gobbling up all the capital available to Canada. This government should do an analysis to determine the total

debt per person of federal, provincial or municipal debt. That would indicate the rights that individuals have left.

Your Honour seems to be indicating I am getting off the track so I will return to Bill S-10. I cannot believe that any individual or group of individuals would set up a corporation in Canada with assets of $5 million or sales of $10 million. There are too many other places in the world where freedoms have not been eroded, where there are greater benefits without great grandfather looking over their shoulder. This bill destroys the private sector.

Many times in this House we have talked about property rights. Property rights do not only include home ownership but general property, anything a person owns. They are going to be taken away from us.

Mr. Collenette: Absolute nonsense.

Mr. Fennell: The hon. member may think it is rubbish but when he sees the bottom line he will see that is precisely where we are going. They continually say rubbish, but the facts are there. They keep on saying they are right, but papers keep coming out, hobbled by regulation. The Economic Council of Canada, this Government of Canada agency, keeps requesting reform of regulation. This is what these agencies should be doing instead of changing regulations and getting the private sector tied up again.

• (1710)

Just as an aside, when talking about property rights and people losing their businesses, many people are losing their homes. This government is taking their homes away as a result of these inflationary rates. People cannot afford to own homes at 20 per cent interest rates. This is just another confiscation which is taking place, but many Canadians are not aware of this. What the government is doing is getting into our books and checking things out. The government says this applies only to certain people, but it then says Statistics Canada can give the information to any other branch of government. There is no provision for secrecy. The Canadian press will probably have the information next. As soon as you send your report in, the Canadian press will pick it up and report on it. Look at what happened in the thirtieth session when one reporter phoned up and got the income tax returns of several people in this House. There is no secrecy or privacy. This is a total erosion.

The National Energy Program is part of the package the government is putting together. It is nationalization and it states that right in the name "National Energy". It is nationalization; it is socialism in its most disastrous form, as is this bill.

The next bill which will somehow be sneaked into this House, and I will be terrified when that happens, will remove the right to vote. The leader of the NDP (Mr. Broadbent) will probably go along with that in view of his associations with his friends in the south. The government has almost removed our rights in this House. The next thing it will do is take away a person's right to vote. That is what I am afraid of. The government is removing people's incentive and the rights of Canadians.

Why bother having an industrial strategy? This bill takes care of that. This bill gives the government the right to go into every business's books to check where the money is coming from, how to make money and where it can grab the money. The government is nationalizing the oil industry, and all it will have to do is nationalize the businesses which are really profitable. As I have said before in this House, the government will nationalize and create non-profit organizations. That is what this government does; it buys up corporations—Petrofina is the last one—and immediately turns them into non-profit organizations.

An hon. Member: Pop Shoppes.

Mr. Fennell: Pop Shoppes; let's not, because we are fighting right now to keep them private. The government is trying to take them back but I would like to keep them private. That is another example of what the government has done through the Canada Development Corporation. The government has seen what they are doing, has seen their returns and now thinks there is lots of money there; but as soon as the government gets its hands on them they will go broke.

Part of the reason for this bill and the adaptation of the bill is that there is no real industry in Canada relative to our size. The government is just looking for another way of grabbing things after looking through the returns. The government has jumped on the resource industry and next it will grab the farms. It will grab the agricultural base of this country, the one constant we have in this country. That time is not very far away and it is coming. As I said before, the government is going to end up with a lot of people's homes unless it does something about the situation.

Really Bill S-10 moves very rapidly into the private sector. It is moving so rapidly it is going to destroy the last remnants of the private enterprise system. That makes me very sad. That has been a very successful system. We have a free country, we have rights, we have freedom of movement, freedom allowing people to come to this country and enjoy it, freedom to work at will, and I regret that this bill will take that away.

I referred before to the potential confiscation that exists in this measure, particularly when it is tied to Bill C-48 and its confiscation of 25 per cent of the rights of oil companies. This frightens me. I just wonder why we are here. I wonder why the government is trying to sneak these things through on us. The government brings these things through in saddening ways through different bills; a little bit here, a little bit there, a little bit through the Constitution, a little bit through Bill C-48 and a little bit through Bill C-57.

By Bill C-57 the government is taking away the rights of the provinces. The provinces enjoyed the right of royalty on natural resources. The government is being specific in that regard, but in this measure it is no longer being specific. The government is going to go after all other resources. It will get the statistics and the information. The government will watch growth and will have a chart on each corporation that is

growing. As the corporations grow the government will say: "Aha! The nickel industry is looking good this week; let's go after it". I am very concerned.

We have talked about patent rights, and I guess copyrights could be included. What the government is trying to do through a bill is tax a Canadian corporation which has the intelligence, the aggressiveness and the wherewithal to go out and buy rights from somebody else who has done the development. The reason that development takes place somewhere else is that most countries in the world are very aware of research and development. They provide a very strong incentive to encourage research and development in the private sector. This government figures, why should it subsidize the private sector? It feels it should not have to subsidize the private sector. It will go after the companies that buy these rights and bring them back to Canada. It will nail the companies that way and get patents free. From a private point of view I think this is commendable. These are the kinds of things the private sector does through ingenuity. What this government is doing is beyond ingenuity. We in this country have a responsibility to contribute to research and development. We have a responsibility to help people develop new products. We have a responsibility to help the industrial base modernize and to help labour become more productive. We are doing nothing for them.

Japan and Germany are far ahead of us right now in robotizing the auto industry. General Motors in the United States is moving very quickly now. It is doing the reverse of what Japan did before the war. It is stealing ideas from Japan and perfecting them. Once General Motors perfects robotizing of auto production the government will turn right around and collect all that information here in Canada through Bill S-10. That is a parasitic clause in the bill, together with many of the others.

This bill worries me. As I said before, perhaps some ingenious entrepreneurs will find ways to get around this bill. It will create lots of work for lawyers and accountants, but again it is an indirect tax. This bill is a total erosion of the rights of Canadian citizens who are entrepreneurs. It is very similar to leaving property rights out of the Constitution. It is very similar to taking away royalty rights under Bill C-57. It is just a continuation. When we put the whole package together, all we see is a government destined to take away the rights of corporations and individuals.

• (1720)

I plead with the government to read some of the excellent documents being produced by some of its agencies. They are saying, "Remove regulation". I have said before in this House, how about some imaginative plagiarism? Why not steal some ideas from south of the border where they are trying to get the private sector going? Do not continually erode the private sector. It is our spirit. It is our country. I feel very strongly that we will lose what our forefathers created. My grandfather was an Irish immigrant. My other grandfather was a German immigrant. They came over here with nothing. This country gave them opportunity, and will we take it away with bills such as Bill S-10, which removes the right of the Canadian citizen to build even a home and, more particularly, to build wealth?

Mr. Blais: Mr. Speaker, I rise on a point of order. I have been listening attentively to the hon. gentleman. I would like him to identify from where in the bill before the House all these terrible consequences flow. How will we be depriving individuals of their homes and the private sector of the opportunity to make a dollar? The hon. member has not addressed any of the provisions of the bill in order to support his claims. We are either a house of serious debate or this is a place where comments are made without any foundation. I therefore feel that the whole speech of the hon. gentleman is out of order.

The Acting Speaker (Mr. Blaker): As he did not do in the case of the hon. member for Capilano (Mr. Huntington), the minister has now questioned whether the proceedings are orderly. I listened carefully to the hon. member for Capilano, and in view of the fact that this is second reading and the purpose of second reading is to debate the principle of the bill—and that encourages wide consideration—I felt he was perfectly in order.

There has been a bit of difficulty with the hon. member for Ontario (Mr. Fennell), who has perhaps moved away from the principle of the bill. The whole question of relevance at second reading is a difficult one. We might solve the problem by my suggesting to the hon. member for Ontario that he try to approach the bill more closely if he can. However, this is second reading, and the Chair intends to recognize the principle that at second reading debate is on the principle of the bill, and that allows a fair scope for imagination.

Mr. Fennell: Thank you, Mr. Speaker. I am referring to proposed section 4.1 which reads:

Every holding corporation to which this part applies shall, for each reporting period—

I do not need to read them all out, but I refer to proposed sections 4.1(1)(*a*), and 4.1(2)(a),(b),(c),(d) and (e). I am referring to proposed section 4.2. I am referring to those parts of this bill.

Mr. Evans: How do they relate?

Mr. Fennell: They relate because they erode the rights of private corporations to exist. Once the government gets hold of this, tied in with the other bills, it gives itself the opportunity to check out what everyone is doing.

As we have seen, the government has taken over the oil industry. Now it will move into the next sector, which might be the nickel sector, the copper sector, the wine sector or whatever. That is the point I am making. This is only part of a total strategy by this government and its leader. I say I am in order. Perhaps I am being general, but I am concerned. I may be terribly emotional about this because I know the people affected. Many of my constituents have small businesses.

One of the reasons for putting the amount up to $5 million in assets and $10 million in sales is very simple. This is the

same thing as a corporation of 20 years ago with $500,000 in assets and $1 million in sales. We are referring to small business here. Small business is not $25,000, $100,000 or half a million. Small business is anything up to $25 million. There is no differentiation. In this day the competition between world markets is so severe that you cannot be a mini corporation any more; you must be at least a $25 million corporation. Through this bill this government is removing the rights of Canadians and taking away the opportunity to invest in this country. I refer to proposed sections 4.1 and 4.2.

When this bill gets to committee, I will take a very active part because I would like to fight so that it can be adjusted.

I am absolutely delighted that the government is looking at some of the international unions. I am not critical of the unions of Canada; I am talking about international unions. I am delighted that this government is attempting to nail them down because they do not have assets of $10 million; they have assets of $10 billion. One good thing about the bill is that through it the government is attempting to catch up with them.

I appreciate the opportunity to talk about this. I hope I will have another opportunity after the bill has been to committee and we have made extensive revisions.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I think this bill should be considered in the context of freedom of information. I find it contradictory, strange and ironic that the party to my right, which has so strongly espoused the policy of requiring the government to provide greater information to the public—a policy which we have advocated for a great many years—should now appear to be opposed to the principle of the right of citizens to know the nature and structure of those corporations and the nature and structure of those trade unions which exercise such a substantial degree of power in our society.

I find it quite fantastic to hear the tremendous rage—the sincerity of which I do not question and with which I continue to be impressed—expressed with respect to the nature of the corporate world out there and the nature of the trade union world, which I am quite happy to talk about, and to hear the concerns expressed by members of the Conservative party. I think this is a departure from the historic traditions of that party but, nevertheless, there is a feeling, expressed by a wing of the Conservative party that any requirement with respect to the reporting of critical financial information is an act of impending totalitarianism and simply one more step on the slippery slope toward a totalitarian state.

● (1730)

That position is one which, as I say, has been expressed with a great deal of sincerity. I know it is deeply felt but I just do not think it conforms to the nature of the world in which we live. All I can say is that it is an understandable reaction to the frustration which all of us in the opposition parties feel about the inactivity of the present government with respect to the economy. It is an understandable frustration which I certainly feel.

When I heard the hon. member for Capilano (Mr. Huntington) talk about the absence of an industrial strategy and the foolhardiness of the government of British Columbia in deciding to sell off lots of coal very cheaply, I could only say "hear, hear!" It is a position I share. When I hear criticism of the government's high interest rate policy coming from the same member, I agree with him. Unfortunately the person he has to convince is his colleague, the hon. member for St. John's West (Mr. Crosbie), who just ten days ago defended the high interest rate policy of Governor Bouey and said if he was minister of finance he would be defending it as well.

With respect to what he had to say on those matters, I was in substantial agreement. However, when it comes to looking at the principles involved in legislation of the CALURA type first introduced by the Diefenbaker government in the early 1960s, it seems to me the question is this. In addition to requiring a government to respond to the demands of its citizens, their right to know what is going on in government, the nature of the power being exercised by the government and our rights as citizens to access to critical information with respect to decisions being made, how can one then turn around and say that corporations whose power, even on the admission of the hon. member for Capilano, has grown substantially, who are exercising substantial power over the individual, should be even further increased? I think I heard the hon. member say that in many instances their power rivals that of government. The hon. member for Capilano and the hon. member for Ontario (Mr. Fennell) both made passing references to the power of trade unions which I do not entirely accept. I think they exaggerate the power of the trade unions. Listening to the hon. member for Ontario talking about the billions in assets that international unions have, it demonstrates an ignorance about union finances which is astonishing.

Nevertheless, despite that fact, if you say these groups exercise substantial public power, surely at some point we abandon the mythological notion that we are simply talking about interference with privacy. Some other principles have to be established. At some point those groups have a responsibility to the public to give up information which is of concern and direct interest to the public. I say to the members of the Conservative party, who I know will be participating at great length in this debate and with some interest, that surely the question is not that all of this is on the slippery slope to totalitarianism; surely the question should be: What information do we really want and need to know—

Mr. Huntington: Like what?

Mr. Rae: —and why do we need to know it? What purpose is served by our knowing it, and what purpose is served by our not knowing it? There will always be those people who will say: "To ask this question is to interfere with my privacy". In many instances that is a justifiable concern. Certainly we are moving into a society where privacy is being threatened every day. Indeed, I would say it is substantially under attack even

in this House by the activities of certain members with respect to those matters.

We need to be concerned with why people want to know certain things, and what purpose is served by knowing about matters which are private, or indeed matters of state security, for which suddenly there is a demand to know. It seems to me that is the question that should be addressed, not to sort of take the blanket approach that anything the government wants to know with respect to trade unions or companies is an act of incipient totalitarianism.

I had occasion, Mr. Speaker, to work for an international trade union and I must say that I was always proud of the fact that that union was not afraid to disclose information with respect to its finances. Indeed, it had to be audited, the information was available to the members with respect to how much was paid to union directors, how much was paid to all employees of the trade union, precisely how much money was in the strike fund. All that information was public and I do not see why it should not be. Of course it should be public.

We had a fight in Ontario, which I am sure the minister who introduced this bill will recall, where there was a requirement that came through the United States that trade unions had an obligation to represent their members fairly, the duty of fair representation which was imposed in the United States. This was opposed by some trade unions because they say the state should not be interfering in the life of trade unions.

I have always felt, and I have argued it publicly and will argue it again, that where bodies exercise a substantial amount of public power with respect to their members, even if they are voluntary organizations like trade unions, society has a perfect right to impose duties on those organizations provided the administration of that duty is perfectly fair.

Now, any individual trade unionist in this country, because every province and the federal government requires it, has the right to take his trade union to the labour board if he feels he has not been fairly or fully represented. That right is not resisted by the trade unions because they recognize they are public bodies and they have a responsibility to society and society has a right to know. The objection voiced by my colleague in speaking on behalf of our party, the hon. member for Kootenay East-Revelstoke (Mr. Parker), is this. The kind of information being asked of trade unions under this act and the way in which it ascribes and compiles this information with respect to international unions can be misleading. This is because it underestimates the provision of services by international unions in Canada. It is misleading because it underestimates the extent to which funds are indeed expended in Canada on a variety of services, including the expenditure of strike funds. So that we often get a picture of trade union activity and financing in Canada which is misleading.

This is a debate which has been going on within the trade union movement itself. It is a subject which I do not want to preoccupy the House with; I simply want to indicate to the minister that when the bill goes into committee I think that the very real and practical concern that a large number of our trade unions have with respect to this information should be taken seriously, perhaps in the way in which it is presented in the annual report, so that there is a more accurate assessment of what is really collected and spent in Canada. Then we as a society can see the international trade union movement undergoing dramatic internal change. There is no resistance in any international union of which I am aware or have knowledge of to the idea that Canadian union members should have a complete, clean and exact picture of what is going on in their union. What is objected to is that the presentation of information with respect to the activities of international unions in Canada is misleading in its description of how much money is really expended on behalf of members. As I say, that is not an ideological question; that is a factual question which I think we should be able to reach some consensus on.

• (1740)

The hon. member for Ontario (Mr. Fennell) said that he was really glad the government was nailing international unions. This is an attitude toward what is going on here which, if it were expressed by a member of my party, I would find quite amazing. The government is not out to crucify or nail anyone. It should be put in the context of what members of the public, members of the trade union movement and members of corporations have a right to know. What kind of protection should we afford to the important principle of privacy? How can we ensure that the presentation of this information is as fair as possible?

I want to turn to another aspect of the bill which concerns me. It is the question of the salaries of corporate executives. Not long ago in the House I directed some questions to the Minister of Finance (Mr. MacEachen) and to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) concerning a comparison of the wage rates of average employees with the compensation paid to certain executives.

Because of wage and price controls, the imposition of the Anti-Inflation Act and the workings of the Anti-Inflation Board, there are really two moralities in the country with respect to compensation—who gets what, when, where and how. The negotiated wage rates of the organized worker or even the unorganized worker are published the day they are ratified. They can be found in the collective agreements. They turn up in the material of Statistics Canada. They are available for all to see. We can track every month the nature of settlements—how high they have gone; whether they have risen 7 per cent, 8 per cent or 9 per cent; the calculation of the COLA and of the cost of fringe benefits. All of this is exercised under the clearest and harshest glare of publicity. One can say that we do not actually know what the individual makes because he may rent a room in his house or have a part-time job, but one is able to calculate in a very rough and ready but clear way exactly what an average employee earns.

In the publication of Statistics Canada figures last Friday, we discovered that the industrial composite wage rose 10.9 per cent. We all know that inflation for the same period has risen 12.5 per cent. Once again it is clear that this year the average

employee has fallen behind the increases in the cost of living. This is one morality.

Other people who are subjected to the same morality are members of Parliament. Dare I say on the floor of the House that our salaries are public knowledge? Our increases are negotiated in public. The salaries of public servants are available. If one wants to know how much a deputy minister makes, one can find out. It is public knowledge, it must be published, it is well-known. The vast majority of trade union salaries are public knowledge. They are published at conventions. They are usually known and voted upon by members at conventions. They vote upon whether the salary should be $50,000 or $60,000 for the president of a large trade union.

When it comes to information with respect to corporate executives, the most senior executive officers of corporations, we do not know how much they make. We do not know how much they earn, we do not know other forms of compensation they receive.

Mr. Orlikow: Their shareholders do not know.

Mr. Rae: As my colleague points out, their shareholders do not know. That information is secret. I am not surprised hon. members of the Conservative party resist the intrusion of the searchlight, the torchligh or even the mildest flicker of a candle into this field. They put up the argument that the information is private, that it is an interference into the private world of corporations. Individual shareholders might want to know this information.

Since raising this matter, I have heard from a number of shareholders who have said, "I would like to know. I do not know. I have raised this matter at shareholders' meetings, and I have been told where to get off. I have tried to find out about the number of interest free loans with respect to buying stock options until the year kingdom come. I have tried to make these inquiries and I have gotten nowhere."

If we want to talk about property rights, I would have thought individual shareholders would have certain rights with respect to the information they are entitled to know about the corporations into which they are putting money. Are they not entitled to know whether a corporate executive is earning $250,000, $500,000 or $750,000? I will demonstrate that those figures are not fanciful. I think shareholders are entitled to know that information.

Along with my concern about the manner in which trade union returns have been calculated, I have a major concern about what is missing from the bill. There is another reason we have the right to know such information. The hon. member for Capilano will not like to hear this because it will probably represent another view of why we are living in a decadent age. Envy is not the motive here. It is a concern about fairness and it is a recognition that as a society we have an obligation one to another. Society has become more complex and regulated. The nature of that obligation or what is our sense of community one to another is very difficult. It is very difficult because sometimes when the state imposes it, it becomes an infringement of privacy. I am very sympathetic to those concerns, as I have said on several occasions.

In other cases one must say that we know the wages of the average fellow walking down the street, the average longshoreman or the average worker in Capilano. Statistics Canada knows what they make. This information is available to the whole world. The information is public so that if the Minister of Finance wants to address the Conference Board, as he did the other day, he can say, for example, that there have been a number of settlements in British Columbia which have been a little lush. He can recite the exact percentages and exactly what people are earning. When the Minister of Finance speaks to the Conference Board, does he know how much the person who introduces him is making? No, he does not know because that information is private; it is no one's business but the person introducing him.

As I said, I disagree with the hon. member for Capilano. I respect him for the sincerity of his views, but I think he is expressing a yearning for the return of something which cannot come. The search for that return will prove to be very destructive to important things which have been won for people of all ages and incomes.

In a society which has a sense of community there must be a basis of comparison for a whole range of reasons and for a whole range of policies; not, God forbid, wage and price controls because we know who is affected by them more harshly than anyone. They affect the wages of the people who are in the glare of the public eye. We must have a sense of fairness in society.

It seems to me that we want to be a community. The increases which go to one group do not go to other groups. I have heard Conservatives and Liberal speakers often indicate that there is no free lunch. I agree that there is no free lunch. If society decides to give more to pensioners, it means other people will receive less. There is a sense of society with limits. Of course we should provide for growth, of course there must be incentives for society to grow. I am not talking about a society which is stagnant or decadent. I am talking about a society which recognizes the civil obligations of each of its members to one another, a society which realizes that there are limits to some kinds of growth. If a particular group of people want more, that means others will receive less. If a particular group of executives want more, that means the shareholders will receive less. It means other groups will receive less because there is a sense, a reality, in our society that each of us cannot simply make money off someone else without there being a cost.

• (1750)

As I said to the hon. member for Capilano, the search for his society will be a destructive one. The notion that one can somehow go back to a society where there is no concept of social cost and no sense of what the obligations of the community are to itself and to each member of the community, is a fruitless and, as I said before, an ultimately destructive quest.

I would like to use Massey-Ferguson as an example to make my next point. I do not know any of the people associated with that company and I have no particular gripe against them. As the hon. member for Capilano might think, I certainly do not envy them. I am not a particularly envious, and some might say a particularly enviable, person. I am certainly not envious of what the executives at Massey-Ferguson are making.

What kind of society are we trying to create? Massey-Ferguson, which is a large corporation, has fallen on hard times for a variety of reasons—because of a number of bad corporate decisions, very difficult interest rates, and the transformation of the farm implement business, not entirely dissimilar to the problems facing the auto industry. At the same time that this is happening, the company comes to the government. I am sure the hon. member for Capilano, when he was minister, heard rumblings about what was going on with respect to Massey-Ferguson. But at the same time that those rumblings were going on, the income of the chairman and president of that company was increased substantially. His salary went from $272,773 to $390,591—a pay increase of 43 per cent. The first vice-president accepted a 40 per cent increase bringing his salary to $281,818. Another vice-president had his salary increased by 30 per cent to $227,580.

Mr. Kristiansen: That is restraint!

Mr. Orlikow: Where did you get your figures?

Mr. Rae: Two of my colleagues, in a gospel-like manner, are calling on me to make two points.

We recognize that the minister, when he was a Tory, was saying that we must have restraint. We must have a sense of what is fair. All of us now recognize that as a society we must make some difficult decisions with respect to who gets what, when, where and how. These are not individual decisions. These are no longer decisions which are allocated by the marketplace because the marketplace no longer allocates them. Where the marketplace allocates them it does not often do it very well, effectively or fairly. There has always been this fight in western civilizations since the collapse of the moral order in medieval society between the notion of a moral economy and the notion of a market economy.

Mr. Huntington: You are back in the Vanderbilt age.

Mr. Rae: The hon. member says I am back in the Vanderbilt age. I will not do him the disservice of telling him what age I think he has been living in for the past while.

That is the nature of conflict; it is the consistent return in our society to the question of a moral economy and to the question of why people should be earning this much. Why should there be this disparity of wealth of ten, 20 and 30 times between one individual and another for performing work? That question is back and it will not go away. It will not disappear. You can not ask people to remove it. It is not a question of envy; it is a question of justice and fairness. It is the continual return to that question that we simply cannot tolerate any longer.

We cannot tolerate the Minister of Finance going to a conference and telling senior executives that trade unions must show restraint when we know what trade union increases have been in the last year. They have been 10.9 per cent; Statistics Canada tells us so. That agency also tells us that inflation is at 12.5 per cent. I do not care if it compiles its CPI figures in the last week of April, the first week of May or the last week of March for May or April, or however it is done, you cannot conceal the hard fact when it comes out. It is a fact which everyone knows—the cost of living is going up faster than the average individual's income.

At the same time, side by side with that, we have corporations which are not doing very well. You can hardly call it a reward for success. Where is the market punishing failure? Was the chairman of Massey-Ferguson punished for his failure? Was the company punished in any way for its incompetence? Where was the rugged, muscular individualism which is supposed to mete our punishment and give rewards? It did not function. It is not functioning. That is why it is so absurd that we must go to the United States to find out what the directors and chief executive officers of Canadian companies earn—as my colleague for Winnipeg North (Mr. Orlikow) implied.

Our society must find some way to recognize that the auto worker who lives in my riding, or one who works at Massey-Ferguson, has as much right to a decent wage and to a sense of property as anyone. He wants to own property. Who is protecting his right in a society where interest rates are at 22 per cent, where our largest institutions are only too happy to see smaller companies go to the wall, where the individual's right to property—be it a farm property or his home—is threatened, not by socialism, not by the NDP—certainly not in Ontario—but by the system itself? I believe in private property as much as the hon. member for Capilano. But I believe in it so much that I think everyone ought to have some. That is why I am in this party and not in his place.

Mr. Huntington: I rise on a point of order, Mr. Speaker. I have enjoyed the remarks of the hon. member for Broadview-Greenwood (Mr. Rae) very much. Much of what he says in terms of fairness I agree with. But he has labelled me with probably belonging back in the age of the dinosaur, and I rise on a point of order to protest that.

Is not the problem he and I face today, the issue we are debating today, the problem of paying for the welfare state? For years I have heard Sweden, Norway, Denmark and Great Britain used as examples, and now Canada. They are all in trouble, with perhaps the exception of Norway which has the bounty of North Sea oil to assist it in its problem. That is the dilemma we face. I do not think the hon. member should label me as being back in the dark ages because the system or structure being put in place in those countries is not delivering the solutions. What we on this side are appealing for is debate and delivery, a resolution of the dilemma we face here in Canada. It will certainly not come from—

The Acting Speaker (Mr. Blaker): Order, please. There is a custom in the House where an hon. member sometimes rises

on a point of order to inquire whether or not he might ask a question of another hon. member. There is no custom whereby an hon. member can enter into debate at a time of his own choosing and interrupt another member to do it.

Mr. Rae: I do not mind the hon. member's interruption at all, Mr. Speaker. In fact, I would enjoy the opportunity of being in a forum where we had the opportunity to debate these issues.

Before I call it six o'clock I want to say to the hon. member—

Mr. Blais: Hurry up.

Mr. Rae: The minister wants me to hurry up. But I am a little slower on my feet at six o'clock than I am at four.

I am saying to the hon. member that it is because this question has to be debated that we need to have the information. If we do not have the information then we do not have all the facts at our disposal which allow us to reach decisions. If we are going to give more to savings and less to consumption—and I know the member's view is that we should, because I heard him express that view when he was a minister—that is fine and it is something which one could argue. Any society has to make those difficult decisions about future investment. But you cannot do it on imperfect information because partial information does not tell you who is getting the savings. That is all I am saying. If we are living in that kind of society, we will be arguing those things, so let us have the information. We do not have it, nor is the government going to give it to us.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): It being six o'clock, the House stands adjourned until two o'clock tomorrow, pursuant to Standing Order 2(1).

At 6.01 the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 18, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

APPLICATION OF REGULATIONS TO DOMESTIC WORKERS—MOTION UNDER S.O. 43

Mr. Chris Speyer (Cambridge): Madam Speaker, in view of the fact that immigration officers have been instructed to require formal training before awarding points under the revised point system to domestics and occupational groups applying for landed immigrant status, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House instruct the minister to issue a directive indicating that experience shall be treated as an equivalent to formal education for the purpose of administering the Immigration Act as it affects domestics, housekeepers, and children's nurses.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

ALLEGED SHIPMENT OF ARMS TO EL SALVADOR—POSITION OF LEADER OF NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the support given by the Leader of the NDP (Mr. Broadbent) in his interview on "Canada AM" this morning for the shipment of arms from Cuba to the guerrilla forces in El Salvador and his condemnation of the U.S. for its arms shipments, I move, seconded by the hon. member for York-Peel (Mr. Stevens):

That this House condemn the Leader of the NDP for having set himself up as a mediator while holding a hypocritical double standard in his approach to the El Salvadoran question by favouring, on the one hand, the shipment of arms from Cuba to El Salvador and, on the other, a need for a negotiated settlement.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: Stanley Knowles said no.

Mr. Knowles: Yes, Madam Speaker, I did.

Some hon. Members: Oh, oh!

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POST OFFICE

SUGGESTED ISSUANCE OF STAMP TO HONOUR TERRY FOX AND YEAR OF THE DISABLED—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion, seconded by the hon. member for London West (Mr. Burghardt), and the hon. member for Mission-Port Moody (Mr. Rose) representing the constituency of Terry Fox. In view of the very real concern by many millions of Canadians that the post office make an exception to honour an exceptional human being, I move:

That this House requests the government to consider issuing a commemorative stamp in honour of the Year of the Disabled featuring the famous run of Terry Fox.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

EL SALVADOR—POSITION OF CANADIAN GOVERNMENT—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, on this important day, the seventy-third birthday of the hon. member for Winnipeg North Centre (Mr. Knowles)—

Some hon. Members: Hear, hear!

Mr. Deans: —I want to place before this House a motion which has absolutely no relationship to that, but one I am sure will gain the support of everyone. Today there will be a petition placed before the House on behalf of 4,000 persons from the area of Hamilton, with regard to El Salvador.

We, as members of Parliament, know that all Canadians are saddened by the knowledge that for hundreds, perhaps thousands, of innocent people living in El Salvador the proposed

elections scheduled for 1983 will come too late. In light of the fact that Canadians desire a peaceful and speedy resolution to the conflict in El Salvador, I move, seconded by the hon. member for Hamilton West (Mr. Hudecki), and supported I know by the hon. member for Hamilton-Wentworth (Mr. Scott):

That the Government of Canada should reconsider its position on El Salvador.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Having regard to the preamble to that motion, I am sure the House would want me to wish a happy birthday to the hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

CALL FOR INQUIRY RESPECTING SERVICEMEN EXPOSED TO AGENT ORANGE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday the United States Senate voted 98 to zero in favour of federally financed medical treatment of Vietnam war veterans who were exposed to the defoliant Agent Orange. Last January 27 the Minister of National Defence (Mr. Lamontagne) evaded questions regarding the damaging effects of Agent Orange on servicemen stationed at Gagetown base in New Brunswick by implying that, since U.S. experience had not yet been settled, there was no reason why the Canadian problem should be remedied. In light of the recent progress made in the United States I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Minister of National Defence immediately set up a strictly federally-sponsored inquiry to determine whether servicemen employed at Gagetown during this testing have in any way been affected by Agent Orange and, if they have, that the minister introduce legislation that would provide medical treatment financing for these people.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

GRAIN

REQUIREMENT FOR ADDITIONAL HOPPER CARS—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, since the director of grain transportation at Transport Canada has said recently that the federal government will not decide whether to buy new hopper cars until early next year, but the director of the Grain Transport Authority has called on the government to order 1,300 new cars by the end of this summer if there is to be sufficient rolling stock by next year, I move therefore, under Standing Order 43, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the Minister of Transport immediately place an order for sufficient hopper cars to meet the pressing grain transportation requirements for next year.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

MANPOWER

FUNDING FOR OUTREACH PROGRAMS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, evaluations of Outreach programs show impressive records of innovative and flexible approaches in providing community-based employment related services. Outreach is also a notably cost-effective program. Therefore I move, seconded by the hon. member for York-Peel (Mr. Stevens):

That this House instruct the Minister of Employment and Immigration to spend at least as much to fund Outreach programs this year as he spent last year.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

PARTICIPATION OF PROGRESSIVE CONSERVATIVE MEMBERS IN PARLIAMENTARY VISIT TO CUBA—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas 13 members of the Progressive Conservative party, including such well-known red baiters as the hon. member for Winnipeg-Assiniboine (Mr. McKenzie), applied to be part of the IPU delegation to the sunny climes of revolutionary Cuba this September, and whereas those selected include the hon. com-

rades from Durham-Northumberland and York North, both of whom have recently demonstrated great political contortionism by criticizing one member of this House for visiting Cuba while secreting their own desires to go there, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That since their lives will clearly be endangered by their rubbing shoulders with raving Cuban commies, this House instructs the Solicitor General to send along three RCMP officers to ensure the safety of the Gamble-Lawrence brigade.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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THE CENSUS

INFRINGEMENT OF PRIVACY—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, because of the many infringements on the privacy of Canadians during the taking of the census and whereas many Canadians feel the information requested is highly sensitive, discriminatory, and possibly available from other sources, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House instruct the government to allow individual Canadians the discretion not to answer questions they feel infringe on their privacy in this year's census and in all censuses in the future.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN WHEAT BOARD

LITIGATION AGAINST FARMERS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The Canadian Wheat Board lost its case against a Stavely farmer in a court of appeal in Alberta. This farmer, along with others, had rented available space in an elevator rather than store grain on the land, and this was considered a criminal offence by the Wheat Board. The Wheat Board used producers' money to prosecute the farmers. The farmers were put to needless expense to defend themselves. Now the Canadian Wheat Board is going to start the whole case over again.

Whereas the Canadian government, through CIDA, has given Grenada $475,000 to build a garage so that vehicles will not have to remain outside in the weather, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House urges the Canadian government to extend the same generous treatment given to the communist regime in Grenada to the farmers in Canada by ordering the Canadian Wheat Board to cease and desist from this costly and needless litigation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

AID TO FARMERS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, in view of the fact that the government has recently approved a grant to the Marxist state of Grenada through CIDA of some $7.5 million to assist the cocoa plantation farmers replace existing trees and plant abandoned or neglected acreage, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the government recognize the plight of Canadian farmers in replanting their acreages because of high interest rates, labour costs, etc., and make available to them the same sort of generous monetary aid it is so anxious to extend to Marxist-dominated Grenada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

POLICE RAIDS ON RESTIGOUCHE RESERVE IN QUEBEC—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Last week the Micmac Restigouche reserve in Quebec was raided by the Quebec Provincial Police. The raid was a blunt attempt to keep the Indian people from fishing. Today the reserve is again facing possible raids, as the police have once more surrounded the reserve.

The executive of the National Indian Brotherhood has gone to Restigouche in support of the Micmac people and to attempt to avoid any violence which might be sparked by another raid. As the Fisheries Act is a federal statute and the responsibility for Indian rights and lands is in the jurisdiction of the federal government, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That this House condemns the Restigouche raids and demands a full inquiry into the role of the federal government to protect the Micmac people.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1415)

THE SENATE

CALL FOR ABOLITION—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my motion under Standing Order 43 does not arise out of the fact that the journalists beat the MPs in the ball game last night; it arises out of the fact that today is the seventy-third birthday of the hon. member for Winnipeg North Centre (Mr. Knowles). In recognition of his great contribution to this House and his service to Parliament and the people of Canada, as a birthday gift I call upon the Government of Canada, in full consultation with the provinces, to initiate the process leading to the abolition of the Senate.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

AID TO FARMERS FACING FORECLOSURE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is directed to the Prime Minister. The Minister of Finance requested that individual cases be referred to when discussing farm bankruptcies in this House, and I would like to refer to a case from my constituency pertaining to a couple who have farmed for 40 years, paid off five bank mortgages during that period, raised nine children, some of whom have gone into agriculture, and were encouraged by a local lending organization to expand their operation in 1973.

In the last year and a half, Madam Speaker, this family have been faced with all their operating funds being cut off by their bank; their son has had his farm foreclosed by his bank; and now this family have been given 30 days' notice to repay their loan or face foreclosure. This leads to this couple, now of retirement age, selling their farm and their retirement home in Delhi, Ontario, to meet these demands. My question to the Prime Minister is this: what do you propose to do to help this couple and others like them in agriculture in Canada today?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I remember the Minister of Finance made an offer to the hon. member for Kingston and the Islands, and I make the same offer to the hon. member. If he will forward the name to the minister he will see what he can do in talking to the banks about it.

An hon. Member: Can they all do that?

SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I am sure my colleagues on this side will forward all their letters again to the minister, as this letter has been forwarded both to the Minister of Agriculture and the Minister of Finance without response. I would think, Madam Speaker, when a member of this House rises to ask a specific question appealing a case for some of his constituents to the Prime Minister, that possibly we could have an answer of substance.

My supplementary is that the Prime Minister will know that the Minister of Agriculture stated some three weeks ago that the small business development bond would be extended to include unincorporated small business and farms. Can he tell us if this is a fact, is it a reality, is it happening, or is it another Whelan pie-in-the sky statement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member expresses disappointment that he did not get an answer of substance. I think he is realistic enough to know that I could not possibly, without advance notice, know about a particular case of a particular family in one part of Canada and their troubles with the bank. That is why the Minister of Finance made the suggestion that if a particular case were drawn to his attention he would undertake to let the banks understand that this case had been drawn to his attention, and would ask them to exercise the kind of compassion that he talked to them about when he met them, with his colleagues, two weeks ago here in Ottawa.

As to the specific question of the hon. member, I think the Minister of Agriculture indicated this kind of consideration was one which had been drawn to the government's attention and to that of the minister, and that if he had any answer to it he would be making it known in this House.

● (1420)

GOVERNMENT AID TO PRODUCERS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my question is also for the Prime Minister, and it relates to the same topic of the problems farmers are having in financing. I also can refer to many cases from individual constituents who are having problems and going out of business, but I would like to ask the Prime Minister if he could hold out some hope in terms of government programs or assistance, or hope in the sense that interest rates would come down, to those people who have now either cut back on production or are in the process of going out of business, or those who have been forced to take jobs off the farm. In the process they are cutting back on

production. This will show up in the form of increased food prices to the consumer in years to come. If the government had some programs to help these people, they would have some incentive to try to hang on, to stay in business, and to produce food for the consumer for another year.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member approaches the problem from a different point of view. I think it is a very valid point of view. Perhaps the hon. member did not hear that the government announced this morning it would be paying out $81 million, mainly to western grain farmers.

Mr. Epp: Four hundred dollars each.

Mr. Trudeau: Perhaps it was not made known to the hon. member opposite this morning, but I am announcing it now if he has not heard.

Madam Speaker: The hon. member for Portage-Marquette.

Mr. Trudeau: I indicated that it would be $81 million. Obviously—

Madam Speaker: Order, please. The right hon. member does not have the floor.

APPLICATION OF LOWER INTEREST RATES

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, certainly that announcement is welcome. I know it will be well received, but we have some concerns about this announcement.

I could indicate specifically to the Prime Minister that there are programs available to the American farmer through the so-called federal intermediate banks and production credit associations which are now making credit available to farmers at 16 per cent simple interest. If we take prime plus one and calculate it on an annual basis, it looks like we are paying something like 6 per cent more for farm credit than the Americans.

Would the Prime Minister be willing to use the Farm Credit Corporation or the FBDB to look at some of these new and imaginative ideas the Americans have been using, and some of the ideas we may have, in order to bring down interest rates to the farming community?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this is the purpose of the Farm Credit Corporation; it subsidizes interest to farmers in Canada.

Some hon. Members: Oh, oh!

SHORT-TERM CREDIT

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my further supplementary question is directed to the Prime Minister. He should know that the money made available by the Farm Credit Corporation is not for financing on a day-to-day basis, for example, to buy fertilizer and to feed cattle. Those are the kinds of things about which I am talking. We are not so much concerned about long-term interest rates. It is the short-term interest rates. I think we could come up with some of these concepts, if the government were really serious about looking at them.

Again I urge the Prime Minister to see whether we could use the Farm Credit Corporation or the FBDB to look at some of these instruments to bring down the cost of operating credit, not only to farmers but also to small businesses.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member's question has already been answered by the Minister of Finance.

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EXTERNAL AFFAIRS

EL SALVADOR—NEGOTIATIONS OF PEACEFUL SETTLEMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Right Hon. Prime Minister. On Monday in a speech in the House of Commons the Prime Minister raised the question "who is my neighbour", and quite correctly asserted that when children are being murdered, or trade unionists are being jailed anywhere in the world, appropriately we should all be regarding them as our neighbours.

Considering that the former United States ambassador has said that the security forces under the control of the government of El Salvador have murdered 5,000 children and that trade unionists are being arrested daily in that country, including three who were arrested the day before I arrived in San Salvador, I should like to ask the Prime Minister quite seriously whether his vocabulary concerning ideals for the Third World means anything? Should he not now show leadership and join with the Government of Mexico in attempting to negotiate a peaceful settlement of the violent conflict in El Salvador?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member knows, because he was in that country, that acts of violence are being committed by both sides. I would not attempt to balance statistics for either side. I would recognize that both sides have extremists who are committing needless acts of violence.

• (1425)

As a solution, the hon. member proposes a negotiated settlement. The Secretary of State for External Affairs yesterday quoted the words of President Duarte which indicated that he, too, wanted negotiations. He wanted negotiations which would result in a free election. That does not seem like something which is unacceptable to this side or to the hon. member's side. Surely we both agree that a political solution is what is necessary in El Salvador; and I believe those words have been used by the Leader of the New Democratic Party

himself. The question is whether you can have a political settlement without a democratic election. I think the answer is that that is the best course, if it is possible.

What distresses me in the apparent attitude of the Leader of the New Democratic Party is that he does not put the accent on the election, he puts the accent on a negotiated settlement, as if somebody should form the government as a result of some kind of coalition.

We say that if an election is possible, and we know that it was possible even in Zimbabwe, and under very difficult circumstances, we hope it would be possible in El Salvador. We believe our government is on the right course in encouraging the parties in the field to negotiate the conditions whereby that election could be a fair and open one.

ESTABLISHMENT OF CIVIL ORDER

Mr. Edward Broadbent (Oshawa): Madam Speaker, I would first point out to the Prime Minister that the legal adviser to the Archbishop in San Salvador, who did the verification of the terrorist killings under his direction, said to me that 80 per cent to 90 per cent of the terrorist killings are being done by the security forces. The evidence is clear that they are being done overwhelmingly by one side. I do not deny that some are being done by the other side, but it is the policy of the security forces to carry them out. It is not the policy of the Front.

Some hon. Members: Oh, oh!

Mr. Broadbent: I say to the Conservative members to my right—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member should remember that he must ask questions of members on the government side.

Mr. Broadbent: Madam Speaker, considering that the bar association in El Salvador, as well as virtually every other interested group of citizens, has said that under present circumstances elections would be a charade because of the degree of terrorism, would the Prime Minister not agree that, as a pre-condition for elections, which we all favour, what must be established first is a minimum degree of civil order? Since the Front has offered to have unconditional negotiations to bring this about, would the hon. gentleman also not agree that the first priority ought to be the establishment of peace, which should then be followed by elections?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member assures us that terrorism is not the policy of the Front. I think we can make the assurance that terrorism is not the policy of the Duarte government.

An hon. Member: It is so.

Mr. Trudeau: I regret to say that if hon. members opposite say that, then they are not well informed. Mr. Duarte is not in control of some of his extremists any more than the Front is in control of some of its extremists. I think it would be fairer to say that both sides want to get rid of terrorism rather than to say that only one side condemns it. Both sides condemn it. But both sides have extremist elements which do practise terrorism.

The hon. member says that the bar association has stated that under present circumstances—if I noted his words well—elections would be a charade. We agree with that, and President Duarte agrees with that, which is why he is not proposing elections "under present circumstances". He is proposing that the elections be prepared by rules and meetings which would permit them to be held fairly.

I do not think there is a great difference between the position of the Leader of the New Democratic Party and the position of the government. The Leader of the New Democratic Party says he wants to see elections held one day, so does Duarte, and so does this government.

The Leader of the New Democratic Party shakes his head that he does not want that. I do not know if I misunderstood him. I understood him to say that he wanted to see elections held.

Mr. Broadbent: Yes.

Mr. Trudeau: Madam Speaker, I do not think the members of the New Democratic Party are very serious.

● (1430)

ROLE OF CANADIAN GOVERNMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, I frankly do not believe the Prime Minister believes what he has just been saying about the position of the government in El Salvador. The position of the government in El Salvador is, indeed, to proceed with elections now. The government has set the date within the year, and it is that date which the bar association, in effect, has said is ridiculous.

I would like to ask the Prime Minister, considering that before elections were feasible in Zimbabwe it required the outside pressure of dozens of states to make that a possibility, does he not think the Government of Canada should join in a similar kind of outside pressure to create peaceful conditions before elections take place in El Salvador? Second, I would like to ask him, since there is obviously some difference of views about what is taking place in that part of the world, will the Prime Minister agree to send his Secretary of State for External Affairs, along with representatives of all the parties in the House of Commons, to make an on the site inspection in El Salvador and Central America itself, so that they can bring back the truth to the people of Canada?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think I can or should make that undertaking

any more than it could have been made in the days of Rhodesia when the revolution toward Zimbabwe was taking place. We think that outside pressure is useful, and we are using what measure of pressure we can to ensure that the elections will be fair. We participated as observers in such an election in Rhodesia. We would be prepared to do the same thing. Certainly the OAS has been invited to do the same thing by President Duarte. I concede that the one-year deadline does seem very short to set up the conditions for a fair election, but I can understand also the government of that country wanting to have the elections as soon as possible so that there be a clear electoral mandate for some government.

The difficulty is not with the fact that time is short. The difficulty is presumably with the parties themselves who do not even see the means of getting together to discuss or to begin to discuss—

Mr. Broadbent: That is why they need a mediator.

Mr. Trudeau: —conditions of such an election.

Well, the hon. member attempted to mediate on behalf of the International Socialist Party, a body much more prestigious than the mere Government of Canada. He knows what—

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member knows what success he had. I suggest that when the Leader of the New Democratic Party went to El Salvador, he had behind him the moral authority of a recognized party in a great number of countries. How can he compare that to the mere Secretary of State for External Affairs, the hon. member from Windsor—

Some hon. Members: Hear, hear!

Mr. Trudeau: —going to El Salvador? It is not the lack of will. The hon. member's own backbenchers realize that he went there and he drew a dud. That is the reality.

Some hon. Members: Hear, hear!

* * *

GRAIN

COMPENSATION TO FARMERS FOR EMBARGO ON SHIPMENTS TO RUSSIA

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to address my question to the minister responsible for the Canadian Wheat Board. In light of his government's documented reluctance to compensate the farmers fully for the embargo placed on grain sales to the U.S.S.R., further confirmed by the announcement today, I would ask the minister if he would explain to the farmers of Canada and to this House why they should have suffered the cost of 25 per cent to 30 per cent in additional interest; and why it is $40 million short of any study done by any other economic body, when inflation has removed about $16 million because of the delay in that payment, so that farmers only receive $65 million. Finally, why were rye, rape and flax not included in the compensation payments?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am quite sure that the opinion of the west will be different from the opinion indicated here. The amount of $81 million is certainly a considerable one, and everyone will understand the circumstances, which were quite difficult to assess. There was no effect on the quantities of grains sold last year. The effect was only on the price. There were all kinds of other compensating factors to take into account. On another fact, my hon. friend is wrong, because the assessment the University of Saskatchewan made was at a level of $71 million, which is certainly less than the amount that the Government of Canada is paying.

Mr. McKnight: Madam Speaker, the compensation was promised by the Conservative government. The farmers would be fully compensated for any loss.

Some hon. Members: Hear, hear!

LEVEL OF COMPENSATION

Mr. Bill McKnight (Kindersley-Lloydminster): This government has said that a case cannot be made for the producers of rape, rye or flax; but it can make a case for the corn producers and winter wheat producers. As a matter of fact it goes far enough to make a case that the Canadian Olympic Committee suffered a loss by not going to Moscow. The Prime Minister asked for compassion from the banks. How about some compassion from this government for the problems of the farmers? If I could say this, $81 million, on an average, in western Canada works out to $400 a farm, which does not buy any more than a ton of nitrogen fertilizer.

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am surprised by the question because my information is that the off-board sales which have been made through the commercial system will be compensated on the same level as the on-board. That is the information I have.

* * *

HAZARDOUS SUBSTANCES

USE OF AGENT ORANGE AT CAMP GAGETOWN

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of National Defence. On Tuesday the U.S. Senate overwhelmingly approved a federally financed medical treatment package for Vietnam veterans who suffered the consequences of Agent Orange. As the minister knows, this poison was tested in the Camp Gagetown area prior to its use in Vietnam. Five months ago the minister promised an investigation into the possible effects the tests had on service personnel in the Camp Gagetown area at the time, and also the 5,000

or 6,000 civilians who live in the immediate vicinity of the camp area.

Will the minister now tell the House what the result of the investigation was, and in light of Tuesday's decision in the U.S. Senate of the dangers of Agent Orange, is he now prepared to recognize that there is a strong likelihood of adverse human reactions to those tests of Agent Orange in the Camp Gagetown area?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I must say that the matter concerning the spreading of Agent Orange at Camp Gagetown was taken very seriously when it was raised a few months ago. I think it is unfair to compare the spraying of Agent Orange in a test involving only a very limited number of Canadian or American servicemen with the massive spraying of the same agent in Vietnam.

When this matter was raised a few months ago, our officials tried to contact most of the servicemen who had taken part in this test. Their findings were minimal.

The House will also remember that at the time, I offered the government of New Brunswick, which was spraying its own forests, and various specialized medical groups to co-operate with them, if necessary, to ascertain the effects of Agent Orange on those involved in the test. The opinions differ greatly on this, some medical authorities even claiming there is no danger. Others say that it is indeed dangerous. We are still prepared to co-operate with the provincial government or the medical organizations.

[*English*]

Mr. Corbett: Madam Speaker, the fact of the matter is that this is a federal government responsibility. It is not the responsibility of the provincial government or any other agency. This is a federal government responsibility. The federal government approved the tests back in 1966. A Liberal government did that, and it is time that this government stopped shilly-shallying around and recognized that the people, the civilians in that region, are not to be expected to act as laboratory animals for tests that this government has perpetuated upon them.

● (1440)

REQUEST FOR INVESTIGATION

Mr. Bob Corbett (Fundy-Royal): This government promised an investigation. Again, I ask the minister if he is prepared to take his responsibilities to the people who are under federal jurisdiction in that region around Camp Gagetown and to initiate that investigation, forgetting about any provincial responsibility because it does not exist, and get a report back to this jurisdiction, the federal House, as quickly as possible, within the next few weeks and tell us just what we can expect, and what the people of the region can expect, as a result of the tests which are its responsibility?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I suggest that this government fully assumed its responsibility when it refused to carry out an investigation on the very few people who had participated in this test, but instead to do so with the co-operation of the province or provinces which are using the same defoliant, and also with medical groups which may have much more expertise in this area than the hon. member of the opposition.

* * *

[*English*]

GRAIN

DETERMINATION OF AMOUNT OF COMPENSATION TO BE PAID TO FARMERS FOR EMBARGO ON SHIPMENTS TO RUSSIA

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, in the absence of the Minister of Agriculture I should like to put a question to his parliamentary secretary, in the hope that he knows a little more about the embargo than the Minister of Transport.

Given that the embargo payments were established at $81 million today in Winnipeg, and as the parliamentary secretary knows yesterday the University of Saskatchewan study—and here I disagree with the Minister of Transport—showed $117 million, and the Wheat Board study was over $100 million, could the parliamentary secretary explain the discrepancy between these studies and the level at which the government decided to put this compensation?

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): As the Minister of Transport explained a moment ago, Madam Speaker, a first study had been made. It was about $61 million. The Canadian government has now offered $81 million, and I think that what the Minister of Transport said earlier is quite accurate.

[*English*]

FACTS USED IN ARRIVING AT DECISION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, in light of that answer and the discrepancies between the position of the parliamentary secretary on these studies and our understanding of them, would he assure the House, as did the Minister of Agriculture when he said, and I quote:

> At the time of finalization of this program all the facts with respect to how it came about will be made public.

—that all the facts about how this amount was arrived at will be put before the Standing Committee on Agriculture or the House so that we can examine them?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if I may answer that, all the different studies which led to different amounts from $71 million to $125 million, will be given to members to read. They will be available and hon.

members can make their own assessment. One thing is certain. A great number of factors went into the analysis. That is why there were different results from different groups of people who analysed the subject. That is quite normal. I might say we have that on almost any question that is raised in the country over any number of years.

* * *

POST OFFICE

STAMP TO COMMEMORATE TERRY FOX

Mr. Jack Burghardt (London West): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs, and refers to the motion offered today under Standing Order 43 concerning a commemorative stamp for Terry Fox. I wish to ask the Minister why this motion was rejected.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I want to say in the House that Terry Fox has received the highest award given to a living Canadian, and that is the Order of Canada.

Some hon. Members: Hear, hear!

Mr. Ouellet: There is a law and tradition among all the world-respected postal administrations not to honour living persons with a stamp but only their heads of state. This is a tradition which it would be improper to break, notwithstanding how good may be the reasons. There is also, in addition to these procedures, an additional ten years rule that has been followed in the past. Nevertheless, there have been a few exceptions to this ten years delay, particularly with reference to Pierre Laporte and Jules Léger. I want to assure the House that I am sure that such an exception would be made for Terry Fox by the Post Office. I am absolutely sure of this. At the same time, I am sure and certain every member of the House wishes that Terry Fox will live many, many years.

Some hon. Members: Hear, hear!

Mr. Crosbie: Traditions can be changed, just like unilateral constitutional changes; they are there to be changed.

* * *

THE ECONOMY

GOVERNMENT PROGRAM FOR THE 80s

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister and it is supplementary—never mind jerking the thumb to somebody else. Never mind the thumb jerk.

My question is supplementary to the first two questions of the day. Since the Prime Minister resumed office in March, 1980, interest rates have gone to 20 per cent, we have had a big increase in personal, farm and small business bankruptcies, mortgage interest rates are up to 18.75 per cent, and inflation is 13 per cent.

On January 12, 1980, the Prime Minister said in Toronto, "We have an economic program for the eighties which will enhance dignity, create opportunity and provide security." My simple question is: where is it? When will it be produced?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, it is always a delight to listen to the questions of the hon. member for St. John's West, especially when they have to do with inflation, because he is an inflation expert himself—verbal inflation, that is! He should remember that when the Prime Minister spoke those words, we could very well see just where the former finance minister was leading the Canadian economy. We inherited that situation. As early as October, the Minister of Finance set the stage to steer the Canadian economy on a better course. The hon. member should know that we have to bring down the inflationary pressure by trying all together to convince ourselves that inflation is indeed enemy No. 1. It will serve no useful purpose to shout and go on a rhetorical rampage since Canada's economic situation will not be improved by miracle solutions drawn out of a hat on a day to day basis, but indeed by applying the principles and the fundamental solutions set forth in the budget last October.

• (1450)

[*English*]

INTRODUCTION OF PROGRAM

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is not to the minister in charge of jerking thumbs or thumb jerks, it is to the Prime Minister. The Prime Minister is a specialist in betraying solemn election pledges, so I will ask him the supplementary question again. When will we have the economic program for the eighties which will enhance dignity, create opportunity and provide security? Is that the program now in effect where hundreds of thousands have to renew their mortgages at 18¾ per cent, where hundreds of thousands are paying 21 per cent to 23 per cent interest, where farmers are going out of business and where personal bankruptcies are up? If there is such a program, why has the Prime Minister waited over a year and a half to bring it in? When are we going to see this program? When will he take the economy seriously?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is right. The minister is not in charge of jerking thumbs, but he is in charge of jerks' questions.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Oral Questions

INCREASE IN GOVERNMENT ADVERTISING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, it is perhaps not surprising that a Prime Minister who shows no concern about Canadians facing bankruptcy, Canadians facing loss of jobs, Canadians forced to leave their homes, that he, the millionaire from Outremont, sits there and smiles while Canadians lose their homes.

Some hon. Members: Hear, hear!

Mr. Clark: It is perhaps not surprising that he should show a similar contempt for the House of Commons. Let me ask him a question about the priorities of his government. Why does his government believe that it was justified in spending an extra $15 million last year on government advertising and propaganda when it will do nothing to help Canadians facing bankruptcy, foreclosure, and a loss of their homes, jobs and businesses?

Some hon. Members: Hear, hear!

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I am not sure that the right hon. member's figure of $15 million difference is correct. The figures for when his government was in power are not available because there was an offshore private sector company that both assigned the agencies and assigned the time and space placement. Nor do we have from previous governments accurate figures for the totals. In any case, I make no apology, and I am sure my colleagues do not, for trying to relate better to Canadians the programs of the Government of Canada. If we have a crisis in this country it is that Canadians do not well enough understand the role of their national government, and all that people on that side of the House want to do is tear it apart.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

TIMING OF PROGRAMS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, one role of the national government that Canadians very well understand is that when Canadians are forced into bankruptcy by federal policy, forced to leave their homes by federal policy, forced to shut down businesses which cost jobs by federal policy, they have a right to some response from the national government of Canada. We would like the Prime Minister of Canada to stand in his place, not jerk his thumb at his various ministers, and tell this House of Commons when the Government of Canada intends to introduce programs that will help Canadians being forced into bankruptcy by the Trudeau government policies, when measures will be introduced in this House to help Canadians who are forced to surrender their houses because of the policies forced by this government, and when an equal priority will be given to the needs of the people of Canada as the government gives to its own propaganda.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I accept humbly the lecture from the Leader of the Opposition. He should be concerned with another type of bankruptcy, that is the moral bankruptcy he has shown in this House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

HOUSING

QUERY RESPECTING AHOP PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, in the absence of the minister responsible for housing I wish to direct my question to the Prime Minister. Yesterday the government of Nova Scotia moved to assist AHOP home owners suffering under the double burden of more stringent income criteria and high mortgage interest rates, and among other things fixed the mortgage interest rate of 14 per cent. The Nova Scotia housing minister stated that he made two special trips to Ottawa to seek federal government help, but was refused. Since the federal government created the AHOP program, why is it bailing out of its responsibility at this time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have no recollection of ever getting support for that program from the hon. member or his party. Now he is saying we should do more of it. I will refer him to the hon. member for St. John's West who is always complaining that we should be keeping the deficit down and be spending less money. I wish they would meet together and get their policies on the same line.

Mr. Lewis: Surely once a program is committed you have to follow through on it.

ASSISTANCE TO LANDLORDS

Mr. Doug Lewis (Simcoe North): The government recently moved to assist apartment owners who participated in the assisted rental program by increasing the maximum subsidy per unit from $120 a month to $180 a month. The reason given for the increase was that landlords are faced with an increase of 6 per cent or 7 per cent in mortgage interest rates. Why is the government moving to help landlords faced with bankruptcy, and refusing to help home owners faced with the same problem?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I indicated earlier that the representations that the minister had made to the banks applied to people who were in difficulties, such as bankruptcies, whether they be in one category or another.

MANPOWER

FUNDING FOR WOMEN'S OUTREACH PROJECTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is for the Minister of Employment and Immigration. On March 30 the minister expressed strong support for the women's Outreach program. Given that support, why has he moved to terminate the program? In particular, why has he refused to fund four excellent projects for women in Ontario beyond September?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have answered many of these same questions before, but I will repeat to the hon. member that we have increased the Outreach budget this year. We have substantially increased the number of Outreach projects that are allocated to women's concerns, almost 40 per cent above those of the previous government. We are finding new allocations of funds for Outreach projects. We have established eight additional women's counselling centres in our employment service. I think that demonstrates our very strong commitment to aiding women in the work force.

CONTINUATION OF FUNDING

Mr. David Orlikow (Winnipeg North): The reason why a Liberal government in 1972 created the Outreach program was the realization that the existing structure of the minister's department was not fulfilling the job properly. Given the fact that the need still continues, will the minister at least commit the government to continue full funding of the existing 19 projects for more than the next few months?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, one of the basic principles of any Liberal government is that it can always improve upon things. We are using our ability to improve upon the delivery of services of the employment service. As the hon. member well knows, and I will repeat so that other members get proper information, we have established a major computerized job placement centre in major metropolitan areas across Canada which provides a much more efficient and effective way of placing women in jobs, and all other Canadians.

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AIRPORTS

RENOVATION OF TERMINAL 1 AT TORONTO

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of Transport. In view of the fact Transport Canada has announced it will spend $27.2 million on extensive renovation of Terminal 1 at Toronto International Airport over the next three years, including $2.7 million to remove the asbestos coating from the ceiling, will the minister advise when this asbestos insulation problem in Terminal 1 at Toronto International Airport will be resolved so that this potential health hazard will be alleviated?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is a three-year program. Therefore, the asbestos will be removed as the program progresses. The short answer is over three years. I want to emphasize that the asbestos at the airport has been tested. The Department of National Health and Welfare and the Department of Public Works have stated there is no danger in the present situation.

* * *

• (1500)

[*Translation*]

FINANCE

MEASURES ENVISAGED TO CURB HIGH INTEREST RATES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, in the absence of the Minister of Finance I shall ask my question of the Right Hon. Prime Minister. Every Canadian knows that an interest rate of 20 or 22 per cent is a perfect way to strangle our economy, and on the long term to force many individuals and companies into bankruptcy. For instance, during the first quarter of 1981 the number of loans granted under the Small Businesses Loans Act decreased by 50 per cent compared with last year. Madam Speaker, I simply want to know what action the government will take to help those Canadians who are faced with interest rates so shocking that they are literally strangled by them, and when it will take this action.

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member seems to have drawn certain conclusions from the figures which he quoted. I would invite him to check, for instance, the economic growth rate for the last quarter of 1980 and the first quarter of 1981. He will see that there is evidence of growth in the economy. He can take certain indications and draw conclusions from them, but he should check to see whether these conclusions agree with the facts.

Mr. Kilgour: Madam Speaker, my supplementary is for the same minister. He is certainly aware that the Maislin transport company has asked its 15,000 employees in Canada and the United States to lend it a certain percentage of their wages to pay the $12.5 million in interest which it has to pay this year. Does the minister intend to wait until this company and a hundred others like it are bankrupt, before taking action, or does he really want other companies to use the same type of loan as the Maislin company?

Mr. Bussières: Madam Speaker, I think that every time he mentions a specific company the hon. member should explain the particular conditions which surround the financial problems of that company, because otherwise such a reference will mean absolutely nothing. This cannot justify drawing generalized conclusions. Let him find and explain the causes of the

specific problems involved, and then he can draw valid conclusions.

* * *

[*English*]

PRIVILEGE

MR. McKINNON—MOVE OF RCMP HEADQUARTERS "E" DIVISION—RULING BY MADAM SPEAKER

Madam Speaker: I would now like to rule on the question of privilege that was raised on June 16 by the hon. member for Victoria (Mr. McKinnon).

The hon. member set out the facts of the case with reference to Notice of Motion for the Production of Papers No. 51, and he alleged that the return to the order tabled on June 3, 1981, could not be considered to be "all letters, papers and studies concerning the move of RCMP Headquarters".

The practice in the matter of returns to such notices of motions for the production of papers was enunciated 20 years ago by one of my predecessors, Hon. Speaker Michener, when he pointed out:

—there has been a well recognized practice established in the House that a minister, who does not wish to be bound by an unqualified order of the House to produce documents which he does not propose to produce or does not wish to produce for some recognized reason of public policy, may rise and state his objection so that his objection will be a matter of record. This statement is, to some extent, a protection of the minister against the unqualified order of the House calling upon him to produce the documents mentioned. It is a practice which has commended itself to the House and which has been well established. Whatever the significance of such a statement may be . . . it is an established practice . . . when these orders are passed by the House they are noted in *Votes and Proceedings* without any reference to the reservation made by the minister. He is, therefore, confronted with an order of the House in unqualified terms if he has not risen in his place to claim that certain documents are privileged as interdepartmental communications, confidential documents, private papers or whatever good reason there is, in the public interest, for not calling upon the minister to produce the documents. He might very properly be said to be in contempt of the House if this reservation were not noted.

I quote from *Journals*, February 27, 1961.

The only change that seems to have been made in this practice is that the parliamentary secretary rather than the minister now makes the reservation concerning confidentiality or restrictions on certain documents. The reservation is nevertheless made, and the House also accepted this reservation in the usual way. Accordingly, the order of the House on June 3 last must be read subject to the customary reservations in respect of confidential documents.

The expression "confidential documents" has never been defined for this purpose and I do not think it would be proper for the Speaker to attempt to do that. Furthermore, while the government, when preparing a return, may govern itself by the principles it tabled in 1973 and which were set out in citation 390 of Beauchesne's fifth edition, the House has not adopted these principles, and in any event it seems to me that it would still be up to the government to decide whether any "letters, papers and studies" were of a confidential nature.

Accordingly, while the hon. member may have a complaint about how the expression "confidential documents" has been interpreted by the government in this return to his motion for papers, this does not constitute a question of privilege because, according to the practice of the House, a proper return was made to hon. members' motions for the production of papers.

Hon. members might also be reminded that, in connection with practice and custom, the distinguished author Redlich in his work "The Procedure of the House of Commons" pointed out the following:

—the Journals are by no means the only authentic sources of information as to what has been established by custom. A large part of what concerns procedure is never recorded in them; for not unfrequently usages have been formed and long observed without giving rise to any definite decision of the House or the Speaker, which would constitute a precedent. Long-continued practice, moreover, is not always required for the creation of customs in procedure. In all such cases the only proof of a customary rule is the actual practice adopted, it being, of course, always in the last resort a matter purely for the decision of the House itself whether it accepts its customs as binding or not.

Therefore, in accordance with the foregoing, I cannot find a prima facie case of breach of privilege in the question raised by the hon. member for Victoria.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Madam Speaker, I thank you for recognizing me. I did send you a note in this regard, but I thought that it would be more courteous to let the House Leader of the Progressive Conservative party ask me the usual question concerning the business of the House before we went on to questions of privilege.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, with respect to House business, we know what we are dealing with today and tonight, but would the minister be in a position to designate the business for next week, and would he designate an allotted day? I think there is one more day in the supply period. If he would do that I would be very grateful.

Mr. Pinard: Madam Speaker, as everybody knows, we will be voting tonight. The bells will start ringing at 9 p.m. tonight until 9.15. Tomorrow we will have third reading of the same bill, C-57. There is an agreement among representatives of the parties that any vote required tomorrow will be deferred until next week. I suggest it be deferred until next Monday night at 9.45. If the House leaders agree I would appreciate confirmation in the next few seconds.

In so far as the business for next week is concerned, I wish to designate next Friday, June 26, as the last allotted day. Monday we will try to achieve what we failed to achieve yesterday, and that is to deal with three non-controversial bills, S-10, C-66 and S-19, in that order.

Following that, and if there is agreement—and we have had some representations made in the House on this subject—we

on this side are willing as the government to agree to have one speaker per party and to dispose of all stages of the following four bills, and this will answer requests which were made before. The first is Bill C-53, the sexual offences bill. If we can agree to one speaker per party and go through all stages within the same day, the government would be agreeable to providing one day next week, either Tuesday or Thursday. The same applies to Bill C-37 making July 1 Canada Day. Then Bill C-67, to amend the Adult Educational Training Act, and Bill C-65 dealing with the Public Service Superannuation Act, could be dealt with expeditiously if that is the desire of the opposition parties.

• (1510)

If we fail to agree on those bills, we will go on with bills on which debate has already started in this House, namely—and in this order—Bill C-58, Bill C-12 and Bill S-6. That is the business for this week and next week.

Mr. Baker (Nepean-Carleton): Madam Speaker, that will be quite a week. In any event, I am prepared to confirm now that the deferred vote on Bill C-57 on Monday at 9.45, as suggested, is agreeable. I naturally have to consult with respect to all the other matters my friend mentioned.

Is the minister putting forward the list he has put forward as the list of business the government expects to complete before the adjournment? Is there other business he intends to add to that, and has the government House leader set a tentative date for the adjournment of the House? It might be helpful to us to know in terms of planning.

Mr. Pinard: Madam Speaker, the list I spoke about is only an appetizer. I hope we can agree on it. If we cannot agree on the appetizer—I understand there may not be agreement—and if we do not succeed in dealing with all the legislation I talked about, the main course will come later on. This is not the list I talked about last week.

As far as the date of adjournment is concerned, we are hoping it will be as soon as possible. If it is the end of this month, that is fine with me, depending on the progress we make; but if that is impossible, obviously we will have to go into July.

Mr. Knowles: Madam Speaker, first may I join with the opposition House leader in saying that that is a fair plateful for next week, especially when it is only a four-day week. I believe the House will not be sitting on Wednesday, June 24.

With regard to the program the minister has outlined, may I say first of all that we agree to the vote at third reading of Bill C-57 being scheduled for 9.45 Monday evening.

With regard to Bill C-53, I can repeat the undertaking I have already given, that we would be prepared for the second reading debate on that bill to be limited to one speaker per party. I shall have to consult before I can give an answer on the others.

There is something else I should like to say. If Your Honour will pardon my immodesty, I note that the House has already—and so has Your Honour—said kind things about this being my seventy-third birthday. When one reaches that age there are not many of the usual things which are given as presents which one needs or wants.

Miss Jewett: Here we go!

Mr. Knowles: However, there is a birthday present I want. I ask for it, and I hope the minister will give it.

Mr. Broadbent: A pay increase.

Some hon. Members: Hear, hear!

An hon. Member: A seat in the Senate.

Some hon. Members: Oh, oh!

Mr. Knowles: Madam Speaker, all of the guesses I have heard are wrong, and the minister knows it. I am speaking on behalf of 15,000 or 20,000 widows of disabled veterans who are still waiting for the oversight in last summer's Bill C-40 to be corrected.

This does not come to the government House Leader as a surprise, nor does it come to the Acting Minister of Veterans Affairs as anything new. In my bones I feel that legislation must be ready, and I hope the minister is in a position to announce today that it is ready and that it will be presented to the House. If it is ready, I would even suggest that we might sit an extra hour tomorrow. Perhaps the hon. member for Vancouver Centre (Miss Carney) would be willing for her private member's bill to be put off to some other time; we could start a bill to amend Bill C-40 at four o'clock and finish it tomorrow afternoon before we adjourn. On behalf of the 15,000 or 20,000 widows for whom I speak I ask for that birthday present today.

Mr. Pinard: Madam Speaker, I am surprised that the hon. member wishes for the gift. He should have talked about it earlier.

Mr. Nystrom: He has talked about it for years.

Mr. Pinard: In any case, I can assure the hon. member that failing giving him that kind of gift today—because he failed to ask for it, as I just mentioned—the cabinet is looking at the situation very seriously. I can assure the hon. member that we should be in a position to give a much more precise answer within the next days and weeks before we adjourn.

Mr. Andre: Madam Speaker, I would like to ask the President of the Privy Council whether he is in a position to indicate what the plans of the government are with respect to correcting the legislation, estimates or whatever following the decision reached by the Chair. It would be useful information to have, in view of the fact that Supplementary Estimates (B) came down yesterday and in view of the fact that action might be initiated by me, depending on what plans the government might have. Perhaps the government House leader could indicate what the intentions are.

Mr. Pinard: Yes, Madam Speaker, and I thank the hon. member for his question. That is part of the main course about which I was talking to the hon. member for Nepean-Carleton.

In fact, we are working on drafting legislation at this stage in order to cope with this situation. I intend to meet with my colleagues opposite to discuss the kind of debate we could have on this legislation. I want to meet with them at the beginning of next week, either Monday or Tuesday. At this stage the information I have is that the legislation will not be ready for introduction before next Thursday or next Friday. That means that if we cannot come to some agreement to deal with that legislation within a very short length of time, that is, at the beginning of the following week—that is, June 29 and June 30—it is likely that we will have to sit in July. That is why earlier in my answers I had to leave the impression that it was perhaps not too realistic at this stage to think we could be in a position to adjourn on June 30. It is still technically possible, as hon. members can see, but if we are realistic I think we can see we will have to sit a few days in July.

I want to assure the hon. member that I will be talking to his House leader and, if he is interested in participating in the discussions because of his interest in this matter, I would be glad to have him around and to negotiate with him a reasonable length of time to debate the legislation about which I am talking.

Mr. Waddell: Madam Speaker, I would like to ask the President of the Privy Council if he is in a position to tell the House whether the government proposes to bring in the report stage of Bill C-48, the proposed oil and gas act, before the House adjourns until the fall. I understand that third reading will take place in the fall, but there was what I have called a sweetheart deal between the Conservatives and the minister on this matter which seems to have turned sour, and I would like to know whether the President of the Privy Council proposes to bring in the report stage of Bill C-48. Because, as the minister knows, the government is imposing closure on that bill in the committee on June 25.

Mr. Pinard: Madam Speaker, I am not aware of any closure. I think I can say that after many months the committee has decided to limit debate at this stage on Bill C-48. As far as the report stage of that bill is concerned, I will take the representation of the hon. member into serious consideration.

* * *

● (1520)

PRIVILEGE

MR. BROADBENT—S.O. 43 MOTION OF MR. MUNRO (ESQUIMALT-SAANICH)

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a question of privilege. In recent days concerning the important question of what is taking place in El Salvador members from all parties—I am thinking particularly of the hon. member for Waterloo (Mr. McLean), the hon. member for Kingston and the Islands (Miss MacDonald) and the hon. member for Hamilton West (Mr. Hudecki) as well as others—have revealed a distinguished, non-partisan approach, so to speak, to this question in the House.

In this light I was deeply disturbed to hear the motion moved under Standing Order 43 today by the hon. member for Esquimalt-Saanich (Mr. Munro) in which there was something which was not just misleading but blatantly false. When I explain the circumstances as to why that is the case, I hope the member will get to his feet and say that he was in error and withdraw the accusation contained in the motion under Standing Order 43.

This morning on the television program—

Madam Speaker: Order, if the member's question of privilege is related to the motion under Standing Order 43 that we dealt with in the House earlier, I am afraid I have to tell him that, had there been unanimous consent to the motion, I would have put it to the House and he would have been able to debate it. It was not debated but the House did deal with it. There was no unanimous consent to that motion and I am afraid that one must not come back on what the House has already dealt with. If that is the substance of the question of privilege of the hon. member for Oshawa (Mr. Broadbent), I will not be able to hear it.

Mr. Broadbent: Madam Speaker, I certainly respect your judgment but I would ask perhaps for some further consideration. I have consulted the oracle on the rules to my left and I am indeed told—

Mr. Baker (Nepean-Carleton): That is two reasons why it is not allowable.

Mr. Broadbent: —that it is within the rules to properly raise—

Madam Speaker: Order. Is the hon. member trying to influence the Chair by citing this very competent oracle on procedure?

Mr. Broadbent: Madam Speaker, there is only one oracle in this House inferior to yourself on the rules, and that is the gentleman on my left.

Some hon. Members: Oh, oh!

Mr. Broadbent: Nonetheless, on a serious point, a charge has been made against me in the House by another member. The proceedings of the House—and this was done under the provisions of Standing Order 43, which I have some personal concerns about in terms of its propriety—do not enable me in that context to deal with an accusation which, I repeat, is not only misleading but is factually completely false.

Some hon. Members: Order.

Madam Speaker: I do have to call the hon. member to order. Charges, accusations, are made from one side or the other of this House. That is what happens in the normal course

of debate. The hon. member is debating, he does not have a question of privilege, and I have to tell him that he cannot pursue it.

MR. LAWRENCE—NATIONAL SECURITY—REMARKS OF MR. KAPLAN DURING QUESTION PERIOD

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, when I attempted yesterday to raise a question of privilege in respect of certain matters raised during question period and others attempted to join in, you quite wisely cautioned us all to make sure of the basis or foundation of what we were saying. I believe you cautioned us to wait until *Hansard* was available.

I have now had the opportunity of perusing *Hansard*, and if I may just draw your attention to page 10697 of yesterday's *Hansard*, the words I am complaining about were spoken by the Solicitor General (Mr. Kaplan). I quote the last four lines of what he said on that day:

What I would like to know is whether the leader of his party, the former prime minister, has authorized him—

That is me.

—to make these statements notwithstanding his oath of office as a privy councillor.

I merely reiterate to you, Madam Speaker, and the House that nothing I have said publicly in this context in any manner, shape or form offends any oath I have ever taken as a privy councillor.

Therefore, I think the Solicitor General has simply two courses of action open to him: he can either apologize and withdraw those words today; or I suggest to you that he must be made by you and this House to detail anything I have said publicly about this matter which was presented to me by departmental officials or any other agency of the government while I was solicitor general.

Mr. Baker (Nepean-Carleton): Prove it.

Mr. Lawrence: Yes, prove it.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there have been a lot of so-called revelations in the House and elsewhere recently about national security operations. Some but not all have been attributed to the hon. member. Yesterday in the House he said, as reported at page 10696 of *Hansard*, that there have been, and I quote:

—what I believe to be inspired and selective leaks from within the government itself—

My officials, Madam Speaker, are entitled to be deeply indignant about this suggestion. They cannot speak for themselves here or elsewhere and it is my responsibility as their minister to do so. Therefore, as he was the minister responsible for the internal security of Canada, I ask him to come clean with me and the House and indicate if he has any grounds at all for his belief that there—

Point of Order—Mr. Rose

Madam Speaker: Order. Hon. members are continuing debate on this question. I have looked at *Hansard* very carefully and have found that none of the words recorded there would seem to impute motives to one member or another. That is quite clear to me from reading the record pertaining to that particular exchange in the House.

The minister on one side and the hon. member for Durham-Northumberland (Mr. Lawrence) on the other side did state to the House that they had made a certain statement. The hon. member for Durham-Northumberland did say to the House that he had not broken his oath, and it is the custom of the House to take the hon. member's word for that.

I think that puts an end to this particular question of privilege. There was nothing unparliamentary in the words uttered in this House or recorded in *Hansard*; therefore I must rule that matter is closed.

* * *

POINTS OF ORDER

MR. McKNIGHT—REMARKS OF MR. PEPIN RESPECTING COMPENSATION TO FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I will be very brief. I notice that the Minister of Transport (Mr. Pepin) is not here, but I am sure that he would not want to have left the impression in answering a question I asked that the producers of rape, rye and flax would be compensated under the embargo payments when in fact the release from the Department of Agriculture states oilseeds and other grains are not covered under these payments. I am sure the minister would not want to leave the impression with the House that the producers of those grains would be compensated.

Madam Speaker: That is up to the minister, and I am sure the point of order will be noted by him.

MR. ROSE—REQUEST FOR CLARIFICATION OF RULING BY MADAM SPEAKER

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I would be grateful if you could perhaps provide the House with a clarification of the ruling on the question of privilege of the hon. member for Oshawa (Mr. Broadbent). Is it in line or congruent with the Speaker's ruling that a member of Parliament, moving a motion under Standing Order 43, can from now on get up and say anything, truthfully or untruthfully, make any kind of charges against another hon. member, and that once that motion has been disposed of, by unanimous consent or otherwise, there is no protection and the member has no recourse to have the record changed or demand an apology? I find that to be an incredulous ruling and I think we should do something about that rule.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, obviously I do

not propose to question your ruling, but I do have a question along with the hon. member for Mission-Port Moody (Mr. Rose).

I have been concerned for some time now, as have my colleagues, about certain statements left on the record which then become public and perhaps do constitute the imputing of motives or unparliamentary language, or in some way are not dealt with at the time but are left on the record.

Mr. Hnatyshyn: Most of them on your side.

Mr. Collenette: If an hon. member is not on his feet at a particular time or not in the House to raise the question, what is one then to do to correct what obviously could be construed as a question of privilege? It is very serious, Madam Speaker. This occurs not only in motions under Standing Order 43, but it occurred most recently on an alleged question of privilege by a member of the Conservative party. In the course of exposing that question of privilege, my friend the hon. member for Hamilton West (Mr. Hudecki) objected to certain innuendos alleged about members of Parliament from Hamilton. Because you had already ruled that the Conservative member did not have a question of privilege, the hon. member for Hamilton West could not join in further debate.

● (1530)

With all due respect, perhaps you and your officials would give some consideration to what is becoming a frequent occurrence. It leads to the problem outlined by the hon. member for Oshawa (Mr. Broadbent) which occurred earlier today.

Madam Speaker: First, I must make it quite clear to hon. members that, aside from what happens during the course of motions under Standing Order 43, the fact a member complains that something said about himself in the House was true or untrue does not constitute a question of privilege. As long as unparliamentary language is not used, the Chair can do nothing about forcing one member to be more or less truthful about something. The Chair has no responsibility with regard to the substance of the interventions of hon. members in the House.

Second, I should like to address myself to the matter of Standing Order 43. One of the weaknesses of Standing Order 43 is that one either receives unanimous consent to put a motion to the House or one does not. If one receives unanimous consent to put it to the House, it can be debated. Then hon. members may rise and complain about the motion or its preamble. It is one of the weaknesses of that Standing Order, but the only way the House can deal with it is by giving or not giving a member unanimous consent to put a motion to the House.

I was victim of the same thing the other day with a motion which related to matters under the jurisdiction of the Chair; there was not much I could do about it. If hon. members want to change the Standing Order in order to allow the Speaker to determine what is adequate as a preamble or as a motion, I am in the hands of the House. But I cannot do anything more about motions under Standing Order 43 than what is provided within the scope of that Standing Order.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. HUDECKI—SOCIAL INJUSTICES IN EL SALVADOR

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, it is my honour and privilege to present to the House a petition signed by over 4,000 citizens of Hamilton and area, drawing the attention of Parliament to the social injustices which are prevailing in El Salvador, urging the government to oppose military support by the United States to that country, and requesting a clear and independent policy on El Salvador.

* * *

SIR JOHN A. MACDONALD DAY ACT

MEASURE TO ESTABLISH

Hon. Flora MacDonald (Kingston and the Islands) moved for leave to introduce Bill C-636, respecting Sir John A. Macdonald Day.

Some hon. Members: Explain.

Miss MacDonald: Madam Speaker, I am moving for leave to introduce a bill intituled "An act respecting Sir John A. Macdonald Day". As the House is well aware, there has been a proposal for some time now that the third Monday of every February be observed as a statutory holiday. My bill would establish that day as a legal holiday and would determine that it be observed as Sir John A. Macdonald Day, in lasting tribute to the man who had a vision that there should come into being a country stretching from coast to coast on the northern half of this continent, and who went on to become the first Prime Minister of the country.

This bill will not only receive overwhelming support from my constituency of Kingston and the Islands but from all across the country.

Some hon. Members: Hear, hear!

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,409, 2,423, 2,477 and 2,510.

[*Text*]

MANOIR KIRKLAND, KIRKLAND, QUE.

Question No. 2,409—**Mr. Herbert:**

1. Did the Canada Mortgage and Housing Corporation acquire the Manoir Kirkland, Kirkland, Quebec and, if so, on what date and at what cost?

2. Was the property sold and, if so (a) to whom (b) on what date (c) at what price?

3. (a) How many apartments are in the buildings (b) were the occupants eligible for a rent subsidy and, if so, was an agreement concluded to continue the subsidy (c) in what manner were the occupants notified of the change of ownership?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. Yes, CMHC acquired the "Manoir Kirkland" project on December 12, 1979, and the claim paid for its acquisition was $5,564,300.

2. (a), (b) and (c). The "Manoir Kirkland" project was sold to Acquilini Investors Group on September 1, 1980, at the market price of $3,194,000.

3. (a) 198 apartment units.

(b) No, all tenants were paying market rents.

(c) Occupants were notified of the sale of the project by individual letters delivered simultaneously with the usual letter of introduction of the new owner/landlord.

POSTAL SERVICE DELIVERY DELAYS

Question No. 2,423—**Mr. Cossitt:**

1. Did the Postmaster General receive a letter from the hon. member for Leeds-Grenville enclosing evidence of correspondence mailed on April 9, 1981 in Toronto to the member and received 13 days later at the House of Commons and, if so (a) what are the reasons for this type of postal service (b) for what reason did it take 13 days for a first-class mail item to travel from Toronto to Ottawa?

2. Did the minister receive other complaints of a similar nature and, if so, what action was taken to deal with the complaints?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): 1. Yes. (a) and (b). First, it should be explained that with the exception of those registered, records are not maintained for individual pieces of mail. For this reason, we are often unable to determine precisely why or where most irregularities occur. In addition, the cover provided did not bear any endorsements or markings which might indicate the handling accorded and furnish some clues to the reason for the late delivery.

2. Yes. Unfortunately, inquiries into individual cases of delay where the cover or envelope bears no indication of abnormal handling generally prove fruitless. Nevertheless, we concentrate our efforts on analysing statistics gathered from reported service failures in order to identify areas with serious and recurring difficulties. In this way, our operating people can focus their attention on resolving the identified problems.

OIL CONSUMPTION ON A REGIONAL BASIS

Question No. 2,477—**Mr. Herbert:**

Is there an appreciable variation in the consumption of all forms of oil on a regional basis and, if so, can this be illustrated on the basis of barrels of crude oil used by province per annum per 100,000 of population?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: Yes.

Oil Consumption In All Forms *
[litres per capita]

Alberta	4,968
British Columbia	4,069
Manitoba	3,159
New Brunswick	7,145
Newfoundland	4,483
Nova Scotia	5,866
Ontario	3,627
Prince Edward Island	4,331
Quebec	4,294
Saskatchewan	4,102
Northwest Territories	10,000
Yukon Territory	9,141

* Computed on the basis of 1980 sales of all oil products and estimates of mid-1980 population.

CANADA FITNESS SURVEY

Question No. 2,510—**Mr. Howie:**

Is a Canada Fitness Survey being conducted and, if so (a) over what period of time (b) what will be the cost?

Hon. Gerald Regan (Minister of Labour): Yes, a Canada Fitness Survey is being conducted at the present time. Data collection in the field will take six months from January to July of 1981. The final report should be ready in the spring of 1982. The cost of the survey, which employs more than 180 previously unemployed physical education graduates across the country, will be $2.9 million.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 1,607 could be made an order for return, this return will be tabled immediately.

[*Text*]

SOVIET DIPLOMATS—TRAVEL RESTRICTIONS

Question No. 1,607—**Mr. Cossitt:**

Since the answer to question No. 31 was prepared, how many additional requests have been received from Soviet diplomats to travel outside the National Capital Region and, in each case, what was the (a) name of the diplomat (b) date of the trip (c) destination of the trip (d) duration of the trip (e) purpose of the trip (f) mode of transportation used?

Return tabled.

[*English*]

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed, from Wednesday, June 10, consideration of Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Madam Speaker: On May 26 I expressed some doubt as to the acceptability of motion No. 10 in the name of the hon. member for Kamloops-Shuswap (Mr. Riis). On June 10 the hon. member presented argument in support of that motion. I must confess to the hon. member that on procedural grounds he did not convince the Chair his motion ought to be put to the House. Therefore I regrettably confirm my comments of May 26 and rule the motion out of order.

Motions Nos. 27 and 28 could be grouped for debate, and a vote on motion No. 27 will dispose of motion No. 28.

Mr. Don Blenkarn (Mississauga South) moved:

Motion No. 27.

That Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 29 by striking out line 9 at page 39 and substituting the following therefor:

"apparatus for use in".

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 28.

That Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 29 by striking out line 9 at page 39 and substituting the following therefor:

"apparatus that are used in".

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I will speak very briefly on this motion. Because of the unrealistic time limit imposed upon this debate, I think we should discuss the significant amendments with respect to the petroleum and gas tax.

This particular amendment will broaden the exemption for universities and others doing laboratory work to enable them to buy utensils, equipment and instruments which may be used for some purpose other than experimental work.

If we want to encourage research and development, it is realistic to encourage it by allowing equipment which is not necessarily designed for experimental work to be purchased for use in classrooms and elsewhere. The intent of the amendment is to allow items which are used in classroom instruction and in other places to be purchased in the normal course. This would not involve any problem concerning administration. In my view, the amendment should be immediately granted by the government.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will keep my comments very brief in consideration of what little time remains under the closure brought in to limit this debate. We want to emphasize the matter of the natural gas and petroleum tax.

This particular amendment was introduced because of the important times in which we find ourselves today. The various groups representing the technical services and the scientific community of Canada have made it perfectly clear to all hon. members of the House that, within this decade and the one following, the necessity for training individuals to participate in scientific research and to serve in a technical sense Canadian industries is absolutely mandatory.

• (1540)

We felt it important to include this particular amendment so that universities, technical schools and institutions of one kind or another would have access to research related materials at a reasonable and fair rate. It was the universities which suggested the wording change. It is a minor change but it attempts to identify not tax exemption for materials which may be used for scientific research and for educational research but materials which, in fact, will be used for that particular use. That is the reason behind this change in wording, Mr. Speaker.

We urge the government to give it consideration, again to focus the attention of manufacturers on this particular use of apparatus and also to recognize the leadership role which the federal government may play in encouraging scientific and technical research in Canada.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I would like very briefly to remind hon. members that the provisions which excluded some of the material used in universities from the excise tax were related to the fact that to impose or not to impose the tax on this material was dependent upon a tariff number. Everyone knows that the principles

which are basic to a tariff policy are not the same as those which generate a taxation policy. For instance, the major objective of a tariff policy is to develop measures for promoting domestic production of certain goods while a taxation policy is aimed at collecting excise tax on all goods sold in the country.

It is said that this provision will discourage research, development and academic initiatives. We are wondering, Mr. Speaker, whether the best policy for promoting research and development is to resort to excise tax exemptions or whether it is not better to use far more important fiscal measures, such as the one included in the Income Tax Act which provides tax credits for whatever amounts are invested in research and development. We are also wondering whether we could not do a lot more to provide support and direction to research and development activities by allowing grants in certain specific fields of research. We are all aware of the many research councils financed by the federal government and we know that these councils, whether we are talking about the Medical Research Council of Canada, the Natural Sciences and Engineering Research Council or the Social Sciences and Humanities Research Council of Canada, provide grants that make research possible in very specific fields, such as health, social sciences and humanities, natural sciences, physics, aeronautics and many others.

Thus, rather than providing excise tax exemptions for certain items, we believe that it is much better to support research and development with appropriate measures such as research and development tax credits, for instance, or else through major grants or major financing through agencies such as our own research councils. By restoring consistency in the excise tax area and keeping it apart from tariff policy, we are providing our excise tax system with a better organization and a better rationalization than we had before, and I would ask hon. members to reject the amendment.

[*English*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 27, and a vote on motion No. 27 will dispose of motion No. 28. It is the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75 (11) the recorded division on the proposed motion stands deferred. This also disposes of Motion No. 28.

The House will now consider motions Nos. 29, 30, 31, 32, 33 and 35, each of which is to be debated and voted on separately.

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 29.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 33 by striking out lines 40 and 41 at page 41 and substituting the following therefor:

"made to order for a crippled, deformed or otherwise debilitated person; parts of"

He said: Mr. Speaker, I would like to make a few brief remarks since this is the International Year of the Disabled. In recognition of this fact we were encouraged to look very closely at this particular item in the bill with regard to disabled persons. The present provisions in Bill C-57, in addition to artificial limbs and related accessories, spinal and other orthopaedic braces, only provides exemptions for specially constructed appliances made to order for a person having a crippled or deformed foot or ankle. It seemed to members on this side of the House that, if we are to recognize those persons with problems associated with an ankle or a foot, the same recognition should be given to persons who experience difficulties with their elbows, shoulders, hips, or whatever.

The nature of motion No. 29 recognizes what obviously must be an oversight, a technical one, in this legislation. Because this is the Year of the Disabled, I think we are all concerned about disabled persons. All members of this House are on record as recognizing the plight of disabled persons. We have seen activities around Parliament Hill which give evidence to Canadian society that changes are certainly in order to assist those who are disabled. This particular motion which is before us is one more way for us to recognize the concern of disabled citizens, and by making a small change in the wording we can expand the provisions of this particular bill not only to people with problems associated with feet and ankles but all parts of the body.

Hon. Marcel Lambert (Edmonton West): We support this motion, Mr. Speaker.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I would like to express the government's concern with this matter. Hon. members will remember that a task force studied in depth the problems faced by the handicapped in our society. I must emphasize however that this is not a new exemption. It is a technical amendment which explains, under

the specific terms of the Excise Act, provisions that were correlated with the Customs Tariff Act.

In principle I would be favourable to these proposals. Unfortunately, I cannot support them for three reasons. First, there already are tax reductions for the handicapped, those in particular with physical disabilities that hinder their movements, in respect of a number of items made specifically for their use, to help them overcome such problems. Secondly, I am not convinced that an excise tax reduction on a particular item is the best answer to the handicapped person's needs. I am not saying it could not be so, only I am not convinced it is. Thirdly, I referred early in my remarks to the report on the handicapped people. A number of members in this House have worked on it. All hon. members recall the efforts made by the hon. member for Don Valley East (Mr. Smith). Officials within the Department of Finance want to take time to have a closer look at each of these proposals, and if there is a need to better adjust our tax system to the proposals made by the task force, we will be inclined to do so at the conclusion of the study.

● (1550)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I listened very carefully to what the minister had to say in defence of not accepting this particular amendment. As a member of that Special Committee on the Disabled and the Handicapped, to which he also referred, I can assure him that of the 643 witnesses that the committee heard from as we went across this country, we heard particularly from people with physical disabilities, people who have mobility problems.

If not wholly, at least the majority of the technical aids which are used in this country have to be imported into Canada. If the minister cares to take a look at the report on obstacles again, he will recognize that, considering the recommendations which were made by that committee after listening to those witnesses, it is an absolute necessity that the government side agree with this particular amendment.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, just so the House understands exactly what is going on here, we are now looking at a number of items which the government has decided should be exempted from the 9 per cent sales tax. There are a number of areas where, for a number of years and for a number of reasons, the government has decided that it will not impose a sales tax on particular items because it would impose a hardship on a group of people. Our society decides that because items respond to a vital need, quite apart from the area of commerce, the arguments in favour of a sales tax do not apply because those items are, by any definition, necessities.

We do not have a sales tax on food. What could be more of a necessity than the provision of prosthetic and other devices for individuals who are physically handicapped? What could be more of a statement by this Parliament, particularly in a year in which Parliament has established a committee which has made a report, which report has made a substantial impact on public opinion? This is the Year of the Handicapped. What could be a more simple and clear gesture on the part of the government than that it recognize that our laws have not always been in keeping with this fact, and that there is a need to exempt particular areas?

Particular groups of people are buying these items, not in the order of commerce, not because they want to make money from selling or because they want to engage in the commercial life of the country, which we all recognize should be subject to sales tax, but because these items are basic, fundamental necessities for people who, through the cruelty of nature, are handicapped.

People want to know why the opposition gets frustrated. People want to know why, when they deal with their government, they feel that they are talking to a brick wall. All of us who have dealt with the minister know him to be a man of intelligence, compassion, a man capable of understanding basic and simple arguments. We wonder why he would not be able to say: "All right, the officials do not understand how Parliament and how the people of Canada respond to this kind of an issue; and we as a government are going to accept this amendment because it makes sense. It responds to the very basic, fundamental feeling of the people in Parliament. Where items are not being purchased for commercial reasons but are being purchased because they are necessities, we as a Parliament will not impose a sales tax. The government is not interested in collecting taxes of 9 per cent off people who are handicapped."

Why could the minister not make that kind of a statement? I see him there, I heard his answer today, and I was in a state of disbelief. He said: "Oh, there are other ways, and I read the brief from my officials; this may not be the best way". The notion of a government not making a distinction between things which are necessities, which should not be subject to a commercial sales tax, and items which should be subject to a commercial sales tax is an elementary one.

If people want to know why, in a sense, Parliament really does not work very well, it is because there is an officialdom in the Department of Finance which has decided who and what will be taxed, and it does not matter what any group, any member of Parliament, or anyone says. It goes through, because we have a government which is not prepared to listen.

I am glad we are forcing 12 votes tonight, or 13 or 14 votes. I want to see all the Liberal members opposite get up and tell every handicapped person who has to buy a prosthetic device that they will have to pay the 9 per cent tax and that they are the government which is imposing it. I want to see them tell the artists of the country upon whom they are imposing this tax, and every other little group, that they do not have the compassion and the guts to say that they will make an exception in their case.

That is why we are forcing the votes. That is why it is high time that this government started listening to people who want a fundamental issue dealt with. I am simply asking that the government respond with a little bit of compassion.

Mr. Don Blenkarn (Mississauga South): Very briefly, I am wondering whether the minister had the figures as to the tax loss which the country would suffer if we accepted motion No. 29. After all, the present bill before us exempts limbs with or without power, accessories and devices therefor, spinal and other orthopaedic braces. All the motion does is say, generally, devices which are:

—made to order for a crippled, deformed or otherwise debilitated person;—

It is not much of an extension. Surely, the minister and his departmental officials have looked closely at the amendment. I think the minister has a duty, in this Year of the Handicapped, to say to what extent the revenue is impaired by refusing this motion. I suggest to the minister that the loss of revenue is so inconsequential as to not even form a change in the estimated revenue received. That being the case, in the interest of the Year of the Handicapped, and in light of a report on obstacles about which the minister spoke highly, this motion ought to be accepted, and I demand that the minister give us the figures.

[*Translation*]

Mr. Bussières: Mr. Speaker, on this point of order, I would like to point out to the hon. member that the grounds for imposing a tax should not rest mainly on the revenues it will generate, if that tax is to be collected on a specific item. That is not the only reason. First, the kind of rhetoric used by the hon. member for Broadview-Greenwood (Mr. Rae) is quite easy. It is simply a matter of referring to the extremely difficult situation of the handicapped. But this is not necessarily the best way to help them. I have indicated that a report has been prepared, and we must ask ourselves which is the best course of action, even within our taxation system. We know that excise tax is but a very narrow aspect of the general taxation system. Within the over-all taxation system, what is the best way of helping the handicapped? Such is the question to be addressed. In the light of the committee report, once it has been thoroughly examined, we will give a much more exhaustive answer to the needs of the handicapped, and by adopting the best answer we will give still more emphasis on the concerns of the government and the response of society to the Year of the Handicapped.

● (1600)

[*English*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The House will now deal with motion No. 30.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 30.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 34.

He said: Mr. Speaker, this really is a motion that my friends from the Atlantic provinces are interested in. It means that fishermen will have to pay the sales tax on a good deal of their equipment. They will be permitted to draw back but they will be dealing through their regular outlets, the small stores and outfitters. The paperwork involved will make it self-defeating. My colleagues from Newfoundland tell me that this will be a pest for the fishermen; it is another handicap. The only beneficiary will be the government. If it is too difficult to claim a draw back after the equipment has been purchased, then the government will be the beneficiary.

In these circumstances, why does the government have to go after sales tax on this type of equipment? It was not done before. Now not only the Newfoundland but the Quebec fishermen in the gulf are in the same boat.

[*Translation*]

I wonder why they are being treated like that! In my opinion, it is just another nuisance in people's life especially those involved. What is the reason for it? For instance, they may suffer a disaster and have to replace their lines and other equipment. An additional tax of 9 per cent is a considerable amount for those people. They must find a place where they can get credit and afterwards they will have to fill an application to get a refund from the government. In such circumstances, the government usually takes up to three or four months to process the application for refund and, upon final approval, the whole matter is referred to the Department of Supply and Services which in turn takes over a month to issue a cheque. Now, why should those people be treated in such a way? The government will not be making any money, since they will be entitled to a refund. Therefore it is an exercise in futility. On behalf of my colleagues from Newfoundland and Nova Scotia, I am introducing this amendment and I would ask my colleagues to support it.

Excise Tax

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to indicate that we will support the amendment with respect to fishing and fishing equipment. I want to remind the House that the government's amendment is based on the illusion that one can readily distinguish between equipment which is used for commercial fishing and equipment which is used for sports fishing. The amendment replaces an existing section which is different and enumerates all the items to be exempt from the sales tax, as follows:

Fishing nets and nettings of all kinds; specially designed needles for use in repairing fishing nets; metal panel devices for use in keeping nets open; metal swivels; fish hooks, lures, jiggers and artificial baits; sinkers and floats including trawl kegs;

The section goes on to say:

—none of the foregoing for sports fishing purposes:

This is based on the illusion that one can readily distinguish between equipment which is sold for the purpose of fishing for sport and equipment used for commercial fishing. Who makes the distinction? Is it the store owner who decides that someone is going to be engaged in sports fishing, or is it the manufacturer who decides what equipment is going to be used in one domain and not the other?

I find it a little strange that the government would exempt an objective number of items that are described in such detail. It describes the interstices of each piece of twine and says which will be exempt.

At the end of this objective definition it introduces an entirely subjective notion, which is the purpose for which the article is intended. That is the kind of thing that can lead to invidious distinction and petty hardship for many inshore and offshore fishermen. I think it would be easier if this particular clause was dropped and the previous legislation retained.

As I am from a land-locked constituency—the old constituency of Broadview once opened on to Lake Ontario so I was not land-locked all the time, but Broadview-Greenwood has been cut off from the sea so I do not get extensive correspondence from fishermen—I would appreciate it if the minister would tell us how many complaints have been received from the industry and from the fishermen involved about the previous section and why it is necessary to replace it with this one.

I suspect that the accountants in the Department of Finance decided that they had discovered some discrepancy between this and the perfectly rational system they are looking for with such almost absurd persistence, and they are responsible for this amendment rather than having concern for the needs of the people in the industry.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, it is obvious that a quick look at the new provision of the Excise Tax Act and the Excise Act makes one wonder why such an administrative nightmare is created for so many wholesale dealers dealing with fishermen as well as for the Department of National Revenue. There have been many representations made directly or indirectly by those involved in the fishing industry and as a result of those representations, the Department of National Revenue has set some administrative standards.

First of all, some equipment which clearly can be used only for commercial fishing, such as the large nets, various kinds of needles of a special design, sinkers and floats, will be automatically exempted from the excise tax. A second measure has been proposed by Revenue Canada. Storekeepers will be able to purchase other items which are normally used in commercial fishing, such as strings and fish hooks, provided they agree to collect the tax when they sell these items for non-commercial use. And finally, a third measure has been taken by Revenue Canada whereby wholesalers of fishing gear who meet certain requirements previously established by the department may obtain a permit enabling them to import the items duty-free and to declare the tax only when they become taxable under the excise tax, that is to say, when they are sold for non-commercial fishing purposes.

I believe, therefore, that these new arrangements made by Revenue Canada should solve most of the technical problems which may arise and allow more flexibility in the application of this section.

• (1610)

[*English*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 30. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred until later this day.

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 31.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in clause 36 by striking out line 34 at page 43 and substituting the following therefor:

"20. Paintings, original prints, drawings and pastels, all".

He said: Mr. Speaker, I must say that I find it quite incredible hearing members opposite yell out nay most of—

Some hon. Members: Order.

The Acting Speaker (Mr. Blaker): Perhaps the hon. member has already realized he was going beyond the intentions of the Standing Orders.

Mr. Riis: Thank you, Mr. Speaker. This motion recognizes a very important group in Canadian society, our artisan community. I do not expect there are many members of the House who do not have in their ridings a number of artists, people who participate in the artisan community. Those of us who know artists of one kind or another I suspect are always quite amazed at the commitment these people have to their work and the price they are willing to pay for their commitment as an artist.

What I am trying to say is that artists are not usually the most wealthy folks in society, not the most highly rewarded financially. Of course, they are motivated and moved for reasons other than financial.

The present legislation suggests that the prints we find in a gallery, original prints, are virtually the same as the posters we send to our constituents with various pictures of Canada, the various statements about the possibilities of becoming a citizen of Canada and so on; in other words, mechanical prints. I do not expect that anyone who has visited an art gallery believes that a mechanical print is the same as an original print.

An artist may make 20, 50, or perhaps as many as 200 prints, number them and sign them, whereas hundreds of thousands of mechanical prints may be run off. This legislation does not distinguish between these two types of prints.

I do not know if we can continue to call this an oversight in the legislation or simply a bureaucratic miscalculation. I suspect that many of us have had the opportunity of attending gallery openings, witnessing the showings of artists of one kind or another in the various parts of Canada. We are familiar with the whole matter of original prints. Now it is proposed to tax original prints.

We as parliamentarians recognize that the artist community is not encouraged as much as we would like to see. It is a struggle to be an artist in Canada today. It is a struggle for people in central Canada to show their goods in western Canada and vice versa. It is a struggle for maritime artists to show their works in central Canadian galleries. It is costly.

Few government programs exist to facilitate the development and encouragement of the artisan community. However, this legislation is a slap in the face to the artisans. It is going to tax original prints in the same way that it will tax a mechanical print. I cannot believe that members opposite in a few moments will yell out against this amendment because they want to see original artists' prints taxed.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I realize that my colleague for Kamloops-Shuswap (Mr. Riis) and I are beating our heads against the wall, but I want to take a little of the time of the House to go through and point out precisely what this government is doing.

It is an established tradition in Canada that artists are not to be treated like manufacturers and that original works of art are to be exempt from sales tax. This tradition is not unique to Canada; it is a policy which is common to all western industrialized countries. In taking the position the government is taking today, Canada will stand alone with respect to a sales tax on original works of art.

Up until the present time, there was an exemption for lithographs and wood plates. The government said it was having a hard time dealing with new mediums such as serigraphs. Instead of trying to deal with these new mediums, it said it would exempt only paintings, drawings and pastels.

What was the response of the artistic community when it heard what the government intended to do? The government has a reasoned, lengthy memorandum giving details of what other countries do and pointing out how it is in breach of commitments which Canada may be making if it joins the Florence agreement. That agreement calls for the free exchange of cultural, scientific, artistic and educational goods throughout the world. Countries which sign it will commit themselves to the free exchange of works of art, among other things.

We have had an extensive discussion on what the effect and impact will be on ateliers, co-operative workshops, our native communities, and whole groups of people who have come to rely on the production of original prints of one kind or another not only for monetary support for their way of life, but as the key to the expression of their personalities.

● (1620)

Earlier we spoke about the problem regarding prosthetic devices. The reason those items should be excluded is that they are out of the world of commerce; they are items of necessity. Governments in Canada for generations have also said that artistic works, works which are the expression of the human personality, the world of culture which is the expression of our collective and individual personalities, should not be subject to sales tax. The government is not interested in making money off somebody who produces what is called a work of art. But the minister and the Minister of Finance (Mr. MacEachen) know better now.

The Minister of Finance has decided that he knows best; he knows what the definition of art is far better than all the ministers of culture throughout the world, better than UNESCO and better than the Florence Agreement. The Minister of Finance really has an appreciation and knows that what we are doing here is in no way harmful.

I want to say to the minister that if he takes a little walk around the corner to the National Gallery he will see outside a large sign advertising the current exhibit. It is an exhibit of the art of the lithograph in the nineteenth century in France.

[*Translation*]

L'art de la pierre; how convenient that the minister's name is Pierre!

[*English*]

But the minister says: "No, no, no, no, no, that is not art; no, no, no, no, that should have been manufacturing in France in the nineteenth century". That is the exhibit that is in the gallery today. He says that that is not art, that they are reproductions which are being shown and they are not art. Because the Minister of Finance knows much better than the National Gallery, or generations of governments and scholars as to what is art, this is what the government is going to do. It is going to impose a 9 per cent sales tax on lithographs, on wood cuts, on serigraphs, on zinc plates, on lead plates and on any original print which up until the present time has been exempt from sales tax.

The assumption seems to be that it is very difficult to make a distinction between what is an original print and what is a mechanical reproduction. If it is difficult, let the error be made on the side of the artist. If a customs official or a government tax collector has difficulty distinguishing between an Elvis Presley poster and an Alex Colville print, because he does not know whether one is a mechanical reproduction or does not know the means of reproduction, let the error be made on the other side, not on the side of the artist.

I want to say on behalf of our motion that there have been extensive submissions to the government in respect of what is an original print, which is a term that is generally understood in the industry. It is a concept which is understood by artists, which has meaning and substance, and one which is generally understood. It was described most recently in an article written by Walter Jule which appeared in the Print and Drawing Council of Canada Newsletter, Volume 3, number 3, on page 4, and I should like to quote from it. It says:

> An original print is a work of art that fulfils the following four requirements:
>
> 1. The artist alone or in collaboration has created the master image or images in or upon the plate, stone, wood block, or other material for the purpose of creating the print.
>
> 2. The image is conceived and develop within the print medium and does not constitute a reproduction of any image which existed previously in total in another medium.
>
> 3. The print is made from the said material by the artist or pursuant to his directions.
>
> 4. The finished print is approved by the artist.

I have discussed this matter with the Minister of Finance, with the Minister of State for Finance (Mr. Bussières) and with officials in the Department of Finance, and so have representatives of the artistic community and Canadian artists. The minister has also had extensive correspondence with Mr. Robertson from the Professional Art Dealers Association of Canada. At any time any of these individuals, or those of us who put forward this amendment, would have been only too pleased to sit down with the minister and say, "If you do not like our amendment and there is something bothering you about it and you want to improve it, we will be happy to discuss it and to go through any process of negotiation and discussion that is possible in order to protect that important principle."

This is not a principle that is going to grab headlines. It is not a principle that is going to grab headlines. It is not a principle that is going to cause great gnashing of teeth within the country. The government is right, it can get away with this. The artistic community will be upset, art dealers will be upset and so will a few art collectors; but the government says that is a minority of the population so what does it matter? The government says it will go ahead because it is easier and it is administratively more convenient just to tax everybody anyway.

I suppose if we were living in a totally monolithic society one would just say fine, that is a decision of the government and one has to just sit back and take it. I want to say to the minister that when the Secretary of State for Canada (Mr. Fox) stands up tonight and votes against this and says, "no, no, we are not going to accept this principle", he is flying in the face of the obligations of ministers of culture which are generally accepted across the western world. Even though he and the government might say, "no, no, we are not going to do it today", they are flying in the face of logic and in the face of what every person who has ever thought about this problem has concluded, and that is that there is a distinction between a work of art, which is the product of the direct application of the creativity of an individual in the print medium, and the mechanical, photographic or other reproduction of another work of art. There is a distinction between those. There is a distinction between the art of the stone exhibit which is going on currently at the National Gallery of Canada and the reproduction of an Elvis Presley poster. There is a distinction between that and the geese and ducks which the government has been paying so many millions of dollars for in order to tell people they are Canadians, as if they did not know that already.

I say to the minister that in a small way my experience in dealing with this problem has taught me more about the way in which the government operates and does not operate than many other experiences I have had. We have had meetings with the groups themselves. We have had discussions with the officials involved and we have tried to explain the very basic, simple distinction which is fundamental and which has been generally accepted and is part and parcel of our tax system as it has grown up over so long, and I find it absolutely amazing that the government would be unable to make that distinction.

Do you know why the government could not make that distinction, Mr. Speaker? It is because it decided it was administratively too difficult to make distinctions to keep up with the number of media being developed by artists. All that is saying is that the administration of our tax system cannot keep up with what is really going on in the world. Rather than applying its mind, imagination and sense of culture to this

problem, the government takes the easy, Philistine approach: "If it walks, we will tax it!" That is the approach.

• (1630)

In the government's mind there is no difference between a Xerox copy and prints which are produced in Eskimo co-operatives and native co-operatives throughout this country. This provides them with the only income they have, and it is a vital source of income. If that is not unbelievable, I do not know what is.

Where has the Secretary of State (Mr. Fox) been? Has he been here to defend this policy? Has the Secretary of State come in here and said that the reason the government is doing this is because of its view as to what art is? Has any member of the government said that this is an aspect of its cultural policy?

Mr. Riis: Not one person has spoken.

Mr. Rae: The minister has not spoken in this debate, and yet matters of tax are fundamental to a cultural policy. The government has moved in all sorts of areas to encourage production in certain media because it is concerned about what happens to Canadian artists, because it is concerned about Canadian jobs and because it is concerned about the impact of the American mass media on our way of life, our sense of identity and on the way in which we express ourselves in the world. Yet when it comes to a very simple and basic problem as to whether to tax artists who produce original prints, the government takes the basic and simple Philistine approach. That is what I have called it; it is probably too good a word for it. The government is not even conscious in the sense of understanding the nature of the distinction. The government just says, "Go ahead, we will tax it". It is easier to tax it than not to tax it, and this government cannot be bothered making a distinction.

All I can say about this proposal by the government is that it is so inane and flies so much in the face of what makes any sense that I can only hope and expect that, because of its inanity and its absurdity in the face of what is needed and what makes sense, the government will have to change its mind, if not this year then next year. Posters will all have to be changed. All the concepts will have to be changed. All the exhibits in Canada and the rest of the world will have to be changed. The government will have to tell all the art gallery dealers and all the cultural historians that really an original print is not a work of art but a piece of manufacture. The government will have to say that what the Inuit are producing is not art but simply mechanical reproduction, that they are engaged in manufacturing and might as well be producing nails, bolts, nuts or screws rather than expressing their heritage, their culture, their concern and their humanity in a unique way. To say that an original print is not a cultural activity, not an expression of a way of life and not an expression of one's humanity is absurd.

This is a small thing. It will not add a lot of revenue. But in a small way the government is doing just what I have said and it deserves to be ridiculed for it. It deserves to be condemned for it. It deserves to be the subject of publicity. We should let the artistic community know that when it came to make representations on a very simple matter, on a very fundamental matter, on a matter which is not one of earth-shattering or treasury-shattering principle but one which is absolutely fundamental to one's notion of culture and one's appreciation of cultural life, this government sat on its hands and did nothing. Let the record show that. I am glad the record will show that.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we support the amendment and, in the interest of getting on to more important parts of the bill, I trust that we will move expeditiously toward the next clauses.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I will not hold the House up for long, but I do want to say that man does not live by bread alone, and surely to goodness we do not expect a painter to repaint the same scene time and time again. If his only means of making a living is through original prints, surely it is unfair to tax them. If we do that, we kill initiative and kill creativity.

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I confess that I am somewhat amazed at the relentlessness exhibited by the member for Broadview-Greenwood (Mr. Rae) in his effort to explain to us the cultural policy of the New Democratic Party and to link it up with a 9 per cent excise tax. I suggest it is not only a matter of making the distinction between what is a work of art and what is not, but rather of wondering what is the best government policy to support the arts and encourage artists to create original productions.

Precisely because the government is always endeavouring to tailor its cultural policy to all artistic circles in Canada, it has set up the Applebaum commission which is studying the problems inherent in artistic circles and will make its recommendations to the government. We will see what recommendations the commissioners make in their report. Will they say that the cultural policy ought to be geared to the excise tax and that encouragement to the arts should be restricted by repealing the excise tax on materials used by artists, or else will they recommend that the government expand the significant measures already being implemented both by the Secretary of State and by other organizations such as the Canada Council, and that we make more extensive use of those mechanisms with a view to promoting artistic production in Canada? I think it is within such a broader scope that we must examine how a government can lend its support to the artistic community and to the production of works of art instead of concentrating on a 9 per cent excise tax on a given production.

[English]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11), the recorded division on the motion is deferred.

[*Translation*]

Hon. Pierre Bussières (for Mr. MacEachen) moved:

Motion No. 32.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 38 by striking out line 13 at page 45 and substituting the following therefor:

"Governor in council, which regulations may be made effective with reference to any period commencing on or after November 17, 1978."

He said: Mr. Speaker, quite briefly, this is a technical amendment, subparagraph (r) that is found on page 45 of this bill, which amends section 38 by allowing the Governor in Council to make regulations in order to identify certain manufacturers entitled to tax exemptions for machinery.

[*English*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion (Mr. Bussières, for Mr. MacEachen) agreed to.

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 33.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 39 by striking out line 20 at page 45 and substituting the following therefor:

"cially designed for off-highway use, but including explosives for construction or demolition purposes) where,".

He said: Mr. Speaker, while this amendment is perhaps not as important as the debate we will be entering into shortly, for many construction firms in Canada it deals with a very important issue. Traditionally construction items have been tax exempt. This has reflected an effort by the federal government to encourage the construction industry. That industry operates in every single community across Canada. For some particular reason this very important commodity, dynamite, used in the construction industry is now going to be taxed.

● (1640)

The construction industry made it clear to the finance committee that in many parts of Canada this can be a very important cost. Across the board with the industry as a whole the cost of dynamite is not a crucial cost element, but in British Columbia changes in elevation of 10,000 or 15,000 feet are not uncommon, such as in the Rockies or the coastal range, and blasting rock is a very important aspect of the housing construction industry.

What this amendment does, Mr. Speaker, is simply include in the legislation a clause that would exempt dynamite from the 9 per cent federal tax. This is in keeping with a tradition which has existed in the construction industry I suppose from the beginning, that items such as dynamite ought to receive tax exemption, which is simply what this motion does.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I just want to make one comment. I agree entirely with the comments of the hon. member for Kamloops-Shuswap (Mr. Riis). Not only in the Rockies, but in the case of Chipewayen in the Fort McMurray area there is almost solid rock and it is very expensive to get dynamite up there. There are many places like this where dynamite is as essential as a tractor or grader or any other equipment. It is a vital part of construction and I certainly support the amendment introduced by the hon. member for Kamloops-Shuswap.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I urge members to reject this amendment and I remind them that if explosives among all other building materials were previously tax exempt, it was under the provisions of the Excise Tax Act related to the tariff item granting tax exemptions. It restores the balance, and the hon. member for Edmonton West (Mr. Lambert) tells me that it is the case of several of the items discussed, and he is quite right. A distinction is made between the principles underlying a tariff policy and the policies underlying the Excise Act and the Excise Tax Act. These changes in the tax will make dynamite a taxable item as well as other equipment used for dynamiting, such as detonators and pads. Like all building materials, they will be subject to the excise tax. That is the explanation Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Blaker): I should recognize the hon. member for Edmonton West (Mr. Lambert), but perhaps I can shorten the matter by saying that he has indicated the official opposition supports the amendment.

The question is on motion No. 33. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion (Mr. Riis) negatived.

The Acting Speaker (Mr. Blaker): The House will now proceed to motion No. 35 standing in the name of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen).

[*Translation*]

Hon. Pierre Bussières (for Mr. MacEachen) moved:

Motion No. 35.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 42 by striking out lines 14 to 20 at page 49 and substituting the following therefor:

"fuel—1.0 cents per litre.

2. For the purposes of section 1, "gasoline, premium, no lead" means gasoline Type 1 that has a lead content in mg/l equal to or less than 13 mg/l, a phosphorous content equal to or less than 1.3 mg/l and an anti-knock (Octane) Index of not less than

(i) 90.0 in the case of gasoline in eastern Canada (including all of Ontario) and coastal British Columbia,

(ii) 88.0 in the case of gasoline in Manitoba and Saskatchewan, and

(iii) 87.0 in the case of gasoline in Alberta, interior British Columbia, the Yukon Territory and Northwest Territories,

as determined by the methods referred to in "Standard for: Gasoline, Automotive, Unleaded 3-GP-5Ma" of November 1978 published by the Government of Canada Specifications Board;

"gasoline, grade 1" means gasoline Type 1 that has an anti-knock (Octane) Index of not less than

(i) 94.0 in the case of gasoline in eastern Canada (including all of Ontario) and coastal British Columbia,

(ii) 92.0 in the case of gasoline in Manitoba and Saskatchewan, and

(iii) 90.5 in the case of gasoline in Alberta, interior British Columbia, the Yukon Territory and Northwest Territories,

as determined by the methods referred to in "Standard for: Gasoline, Automotive 3-GP-1M" of November 1977 published by the Government of Canada Specifications Board;

"gasoline, grade 2" means gasoline Type 2 that has an anti-knock (Octane) Index of not less than

(i) 88.0 in the case of gasoline in eastern Canada (including all of Ontario) and coastal British Columbia,

(ii) 86.5 in the case of gasoline in Manitoba and Saskatchewan, and

(iii) 85.5 in the case of gasoline in Alberta, interior British Columbia, the Yukon Territory and Northwest Territories,

as determined by the methods referred to in "Standard for: Gasoline, Automotive 3-GP-1M" of November 1977 published by the Government of Canada Specifications Board;

"gasoline, no lead" means gasoline Type 2 that has a lead content in mg/l equal to or less than 13 mg/l, a phosphorous content equal to or less than 1.3 mg/l and an anti-knock (Octane) Index of not less than

(i) 87.0 in the case of gasoline in eastern Canada (including all of Ontario) and coastal British Columbia,

(ii) 85.0 in the case of gasoline in Manitoba and Saskatchewan, and

(iii) 84.0 in the case of gasoline in Alberta, interior British Columbia, the Yukon Territory and Northwest Territories,

as determined by the methods referred to in "Standard for: Gasoline, Automotive, Unleaded 3-GP-5Ma" of November 1978 published by the Government of Canada Specifications Board;

"diesel fuel" means fuel oil that is suitable for use in internal combustion engines of the compression-ignition type." "

He said: Mr. Speaker, I shall be very brief. To my mind, this amendment will do away with the need for the various types and grades of gas to be set and defined by an order of the Governor in Council, as was done until now by regulation, by defining and classifying within the act itself the various types and grades of gas. That should satisfy many hon. members who feel existing regulations under our various acts are far too vague and gave far too much leeway. We thus do away with a provision that used to be implemented by regulation.

Hon. Marcel Lambert (Edmonton West): I have no objection to it.

[*English*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): I declare the motion carried.

Motion (Mr. Bussières for Mr. MacEachen) agreed to.

The Acting Speaker (Mr. Blaker): The House may now wish to consider motions Nos. 36, 37, 38, 39, 40, 41, 42 and 43, which have been grouped by the Speaker for debate with the question to be put on motion No. 36. After that it may become complicated.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 36.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 43.

He said: Mr. Speaker, I have been listening to the debate over the past hour and a half and I think it illustrates very clearly the odious nature of this closure motion brought by the government on this very complex bill.

We have heard a number of very worthwhile proposals for changes in the bill as it has been presented. In looking at the number of motions we have to consider as yet in the next two and a quarter hours, there is no possible way we can give proper consideration to the very important oil and natural gas

elements of Bill C-57 as well as the fuel alcohol amendments. For us to rush this through, have a vote and then an abbreviated third reading consideration tomorrow is entirely inappropriate to the importance and impact this legislation will have in this country. It is a sad day for Parliament and this country that these very important elements of the government's energy program will be rushed through without proper consideration.

In Bill C-57—I am addressing the natural gas tax but my remarks also apply to the production tax—the government has put forward the most important legislative elements in its National Energy Program. They are the elements which have the most immediate impact in that the taxes will be felt right away. But they are also those elements which will have the most far reaching and long-lasting impact since the taxes levied as a result of Bill C-57 will cause action to be taken over the next one, two or five years that will affect us for years and years from now.

We had in committee a very abbreviated consideration of this legislation. We had witnesses covering all aspects of the bill, but the government would not allow it to be considered by the Standing Committee on National Resources and Public Works where the oil and natural gas elements should have been considered.

When we look at the very short consideration, the report stage here and third reading tomorrow, it is shocking to consider what we are doing in such a short period of time. I have to wonder why the government is rushing these things through so quickly, particularly when one considers that the natural gas tax has been declared unconstitutional by the Alberta Court of Appeal. Just yesterday the Supreme Court of Canada heard arguments as to whether that ruling should be upheld.

This tax is obviously the most odious part of the whole energy program as far as Alberta is concerned, because it is the one tax they took to their Court of Appeal and which is now in the Supreme Court. They have opposed it right from the start of negotiations between the two levels of government, and to force closure at a very sensitive part in the negotiations to me is totally wrong and insensitive to the considerations of the various participants in those negotiations.

● (1650)

The excise tax on natural gas represents a triple whammy on natural gas producers in this country. Later today we will be considering the PGRT, the production tax. The natural gas tax itself, together with the fact that prices for natural gas at the wellhead will not increase over 1981, represents a compounded three-way penalty on Canadian gas producers. It will set back production as well as exploration of natural gas for a number of years.

Prior to the issuance of the Liberal energy program, we heard about the severe cash flow problems many gas producers were facing. Today we are discovering that wells will be shut in for five to six years from now. The federal government price policy has priced Canadian natural gas out of the United States market. The result is that gas discoveries today are treated with a shrug of the shoulders. Companies really do not want them, but they are making discoveries because there are ample amounts of natural gas in Canada.

The excise tax has been called by most observers an export tax as it relates to sales to the United States. The Alberta Court of Appeal has ruled in favour of that, and its constitutionality is now being considered by the Supreme Court of Canada. It is an important factor in the deadlock between Alberta and the federal government which has resulted in many of the adverse reactions of the province of Alberta to the Liberal energy program.

When one sits back and wonders whether it is a fair tax, one must ask what other forms of energy are being exported. If a tax is to be put on the export of natural gas, why is it not put on the export of electricity, which amounts to approximately $1 billion a year, or on the export of coal and uranium? These are all forms of energy which are being exported, yet only one element is being singled out. One must question the objective approach of the government toward taxation in order to assess whether it is an appropriate tax. If it is the only source of energy which is being taxed at the border, it is not equitable. This is why we are proposing a deletion of this tax in its entirety.

The government has indicated that it will steamroll ahead and force this tax through by the use of closure. Then I must ask myself where the government has been over the last three or four months when people came forward with suggestions on amendments. For example, the co-operative gas association of Alberta indicated that it did not receive the moneys on the sale of gas in Alberta for 45 or 60 days. The association asked the government if the payment period could be extended from 30 days to 90 days, but there was no response. The government has not paid any attention to the fact that this is causing a cash flow problem for that important element of the gas distribution system in Canada, particularly the critical element of it in the province of Alberta.

Other people have suggested that the new tax should not apply on natural gas used in the food producing industry, particularly in the manufacture of fertilizers. I hope the minister of state will respond to these questions. Why has the government not put forward an amendment to exempt natural gas used in the manufacture of fertilizers? It would keep food prices down and lower the costs of farmers in the production of food.

Inflation is running at 12 per cent to 13 per cent, food prices are in excess of that, and fertilizers are a very important element in the production of food, yet no consideration is given to the very important request to remove the excise tax. It is another illustration of the insensitivity of the government in the whole battle against inflation. The government is much more the cause of inflation, this is becoming clearer every day.

Another result of this gas tax is that the exploration budgets of gas producers have been chopped by 30 per cent and, in some cases, by as much as 40 per cent. It is not only the gas tax, it is the pricing policy of the government for natural gas, as well as the impact of the production tax. The only element

of the country which is benefiting from this tax is the federal government. It is part of the massive tax grab introduced on October 28 in the National Energy Program.

Another result is that independent companies not as strongly capitalized as the multinationals have found their capacity to obtain financing from the banks and from the marketplace has diminished significantly. These are the companies which were supposed to be helped by the Canadianization program of the government. They are sending money out of the country because the environment in Canada is not favourable by a considerable margin when compared with the environment in the United States, the most readily available place in which to invest that money. The netback to producers in the production of natural gas is approximately one-fifth or one-sixth of the netback in the United States. The United States has not moved to deregulate the price of natural gas as yet, which, if it did, would increase the disparity between the two countries.

One of the objectives of the National Energy Program is Canadianization, and the tax in itself is hurting the companies which were supposed to be helped. This clearly points out the inconsistency between the objectives of the program and its actual impact. We have said time and again that we accept the objectives of the program. We think they are laudible and we support them, but they are totally undermined by the taxation policies. I will illustrate another element in this regard later on when we deal with the production tax.

This tax is a very important factor in the deadlock between the two levels of government in terms of reaching an over-all pricing agreement for oil and natural gas. If we do not achieve an early resolution of the deadlock, the megaprojects, the Alsands and the Cold Lake project, will be scrapped; the Syncrude expansion will be deferred for a number of years or possibly scrapped; our reliance upon imported oil from countries such as Mexico and the more unstable ones of the Middle East will increase; our over-all objective of self-sufficiency in energy will be set back. I will return to that area in the debate on the production tax.

● (1700)

It is critically important that this government rethink and withdraw this tax on natural gas and gas liquids if we are to move ahead and achieve some rational approach, some understanding within the country as to the over-all objectives which can be accepted by all parts of the country, not just here on Booth Street in Ottawa. It is important during these negotiations between the two levels of government that consideration be given to that point.

I understand that a letter or telegram was sent by the Alberta government to the Minister of Energy, Mines and Resources (Mr. Lalonde) asking for the natural gas tax and the production tax to be withdrawn until the negotiations are completed. I ask the minister of state why that request was not honoured when we are right in the most sensitive part of the negotiations, particularly when the Supreme Court was considering yesterday whether that tax was legal. I question whether this House should be debating and voting on a tax which has been declared illegal, but that is the position in which the government has put us.

I will complete my remarks here, Mr. Speaker. What I have said clearly sets out why we are opposed to this tax. There will be others in my party who will be discussing certain other elements of this issue. I urge the government to seriously consider the amendment which we have put forward to delete the tax entirely.

Mr. Cullen: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member for Sarnia-Lambton (Mr. Cullen) is rising on a point of order with respect to the other motions which have been grouped for debate, is that right?

Mr. Cullen: Yes, Mr. Speaker.

The Acting Speaker (Mr. Blaker): I will try to dispose of that and an additional problem which has arisen, particularly with respect to the hon. member's motion No. 38 and the motion standing in the name of the hon. member for Kamloops-Shuswap (Mr. Riis), who is not in the chamber at the moment. Perhaps one of his colleagues will take note of what I have to say.

To begin with, when I indicated to the House that we were dealing with motions Nos. 36, 37, 38, 39, 40, 41, 42 and 43 I did not think it was necessary for me to indicate in whose name each one of those motions stands. For procedural purposes, if hon. members prefer I will do that. I understood that each and every one of those motions is up for debate, including that of the hon. member for Sarnia-Lambton.

I have a second problem, that is, that Madam Speaker's ruling relating to motions Nos. 38 and 39 does not leave me completely clear in my own mind as to whether or not, should the House defer the vote on motion No. 36, the result is that I should put the question to the House on motions Nos. 37 and 38. I do not think, whether or not the question is put, that will have any adverse effect on the hon. member for Kamloops-Shuswap or on the hon. member for Sarnia-Lambton since, in my view, they would have to come forward again this evening for consideration on yeas and nays following the House order put forward yesterday.

If either of those two members makes it clear to the Chair that for some reason they have some concern with the ruling I am making now, I would rather assure them of their right to have their motions brought immediately to yeas and nays, and regardless of the outcome with respect to motion No. 36 I would, following that, put motions Nos. 37 and 38 to the House on nays and yeas, if those hon. members feel that their rights are better protected in that fashion.

Mr. Cullen: Mr. Speaker, in my discussion with the Chair my one concern was that I thought these motions were all grouped together and that it was necessary to put them, we could debate them and the votes could come in due course. If motions Nos. 36 and 37 were not in fact carried, then the Chair would move immediately to motion No. 38. If they were

carried then obviously my motion would have no authority because there would not be a section there to amend. I thought that the Chair would have to put the motions first, naming the mover and seconder, in order to have them before the House for discussion, and then the votes would follow in the normal course. But I am in your hands, Mr. Speaker, as long as I can speak on my motion during this particular stage.

The Acting Speaker (Mr. Blaker): The Chair is satisfied that there is no question of the hon. member having lost his right to speak as a result of the way in which I introduced the motions. Lest there be any problem we will dispose of that issue immediately. I will deal with each of the motions and put them before the House. I referred to them by group and by numbers. Now I will deal with them individually.

Pursuant to the order of Madam Speaker motion No. 36 standing in the name of the hon. member for Etobicoke Centre (Mr. Wilson), seconded by the hon. member for Red Deer (Mr. Towers) is now before the House. Also before the House is motion No. 37 standing in the name of the hon. member for Mission-Port Moody (Mr. Rose) (for Mr. Waddell), seconded by the hon. member for Broadview-Greenwood (Mr. Rae); motion No. 38 standing in the name of the hon. member for Sarnia-Lambton (Mr. Cullen), seconded by the hon. member for Duvernay (Mr. Demers); motion No. 39 standing in the name of the hon. member for Mission-Port Moody (for Mr. Riis), seconded by the hon. member for Broadview-Greenwood; motion No. 40 standing in the name of the hon. member for Mission-Port Moody (for Mr. Waddell), seconded by the hon. member for Broadview-Greenwood; motion No. 41 standing in the name of the hon. member for Mission-Port Moody (for Mr. Waddell), seconded by the hon. member for Broadview-Greenwood; motion No. 42 standing in the name of the hon. member for Mission-Port Moody (for Mr. Waddell), seconded by the hon. member for Broadview-Greenwood; and motion No. 43 standing in the name of the hon. member for Mission-Port Moody (for Mr. Waddell), seconded by the hon. member for Broadview-Greenwood.

To assure the rights of hon. members the Chair will undertake to put yeas and nays on motions Nos. 38 and 39 regardless of the outcome on motions Nos. 36 and 37.

Mr. Mark Rose (for Mr. Waddell) moved:

Motion No. 37.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 43.

Hon. Bud Cullen (Sarnia-Lambton) moved:

Motion No. 38.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in clause 43

(a) by striking out lines 42 and 43 at page 50 and substituting the following therefor:

"or the remaining marketable pipeline gas are not further processed, and includes an installation in Canada at which natural gas liquids are separated into their individual components and are not further processed;"

(b) by striking out lines 21 to 24 at page 54 and substituting the following therefor:

"liquids;"

(c) by striking out lines 34 to 38 at page 55 and substituting the following therefor:

"able pipeline gas or natural gas liquids; or".

Mr. Mark Rose (for Mr. Riis) moved:

Motion No. 39.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in clause 43

(a) by striking out line 26 at page 59 and substituting the following therefor:

"for the month three months previous, which return"

(b) by striking out line 33 at page 59 and substituting the following therefor:

"month three months previous, make a return as"

(c) by striking out line 3 at page 60 and substituting the following therefor:

"third month succeeding that in which the".

Mr. Mark Rose (for Mr. Waddell) moved:

Motion No. 40.

May 14, 1981—That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 44.

Mr. Mark Rose (for Mr. Waddell) moved:

Motion No. 41.

May 14, 1981—That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 45.

Mr. Mark Rose (for Mr. Waddell) moved:

Motion No. 42.

May 14, 1981—That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 46.

Mr. Mark Rose (for Mr. Waddell) moved:

Motion No. 43.

May 14, 1981—That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 47.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, like the hon. member who preceded me, I am sorry that we do not have more time to debate this particular issue. I do not think it is because the government brought in time allocation on this particular part of the bill; it is because of the fact that we have something in excess of 130 amendments to consider. Of course, using up the time of the House for this piece of legislation and suggesting that we have a long debate on each section would be impractical, so the government has taken the only approach it could take by bringing in time allocation. Thus, we are required to debate the motions in which we are particularly interested. Had the opposition moved a more reasonable number of amendments, which is the normal course at report stage, I think we could have had a better debate.

My remarks deal primarily with my motion No. 38. When the Minister of Finance (Mr. MacEachen) presented his budget last October, it included a notice of a ways and means motion which established a natural gas and gas liquids tax. That motion exempted from tax the fuel gas used to fraction-

ate natural gas liquids, as long as the fractionation took place in a "gas reprocessing plant"—I am reading from the notice. In the notice a gas reprocessing plant was defined as "an installation in Canada at which natural gas liquids are removed from marketable pipeline gas".

Only two plants in Canada, including Dome's Sarnia plant and Chevron's Fort Saskatchewan plant, limit their operations to fractionating natural gas liquids, and as such the exemption provided for in the October motion missed these two plants.

On January 22, 1981 the minister tabled a second notice of ways and means motion which amended the definition of gas reprocessing plant, as the department's news release suggested, to clarify that the exemption "will be available only in respect of fuels used in producing marketable pipeline gas or removing natural gas liquids from gas".

● (1710)

If that in fact was the case, I would not be presenting the amendment today. The fact is that the fractionation of natural gas liquids is a necessary part of producing marketable pipeline gas. Furthermore, those plants that remove the liquids from the gas and then fractionate them are not only capable of but are in fact allocating part or all of the waste heat generated from the removal process to the fractionation process, thus substantially reducing, and in some cases totally eliminating, the need for fuel gas to carry out the fractionation process; and hence, substantially reducing, if not eliminating altogether, the incidence of the fuel gas tax.

This opportunity to allocate the waste heat to the taxable fractionation process does not exist for Dome's plant in Sarnia or Chevron's plant in Fort Saskatchewan, because distance has intervened, making it impossible to recover waste heat from the removal process. In Sarnia's case, 2,000 miles separate the fractionation of the liquids from their removal from the gas stream in plants out west. The net result of both motions is that Dome's Sarnia plant and Chevron's Fort Saskatchewan plant will bear the brunt of the tax on the fuel gas used to fractionate natural gas liquids.

Here, then, lies the discrimination. The amendment that is presently before Your Honour in my name will cure the discrimination without in any way extending the exemption. Singling out Dome's Sarnia plant, a highly fuel-efficient operation accounting for 40 per cent of Canada's production of natural gas liquids, and Chevron's Fort Saskatchewan plant, for imposition of the fuel gas tax, will be viewed by the industry as a disincentive to locate such facilities in eastern Canada, or for that matter anywhere away from where the liquids are removed from the gas stream. Firms that look to Sarnia to build or expand their fractionation facilities should not be faced with the disincentive that Bill C-57's definition of "gas reprocessing plant" would create.

Indeed, as I speak to you today, those plants in western Canada which carry out the dual processing and fractionation function, together with Dome's Sarnia plant, accounting for over 90 per cent of Canada's production of natural gas liquids, are in fact allocating secondary heat recovery to the fractionation function and are apparently doing so with the knowledge and tacit approval of the Department of Finance.

For example, Petro-Canada's gas reprocessing plant at Empress allocates 100 per cent of its secondary heat to the fractionation part of its operation, thus entirely eliminating the impact of the fuel gas tax on fractionation of the natural gas liquids. Neither Dome's Sarnia operation nor Chevron's Fort Saskatchewan operation have had that opportunity.

I have raised this issue with the department. I am not certain about Chevron, but I know that Dome has raised it with the department. It seems to me that when they recognize the flaw, if you will, in the first notice of ways and means motion, that was the reason for bringing in the second notice of ways and means motion; but it, in effect, is as discriminatory as the first one.

I am not suggesting that any plant dealing in this particular way with the fractionation of material would not locate in Sarnia, eastern Canada or away from the original plant simply because of this tax; but certainly, it is a disincentive. Plants move to areas like Sarnia because there is a market in the immediate environs, and particularly in the United States. There is a better market for them there, and they can work hand in glove with other petrochemical industries in the Sarnia-Lambton area. However, this is a disincentive which impacts solely on two plants in Canada at the present time—as I said, Dome in Sarnia and Chevron in Fort Saskatchewan.

For that reason, we have suggested an amendment, and I have put it on the books, which would eliminate this discrimination, would not in any way extend the exemption which is granted, and would be fair to all plants concerned. They would be able to move or to locate either at the site of the original plant or would be able to move, as in the case of Chevron and Dome, several miles away from the original source. Therefore, I commend this for the House's attention.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I would just like to raise a matter of correction as to what the hon. member for Sarnia-Lambton (Mr. Cullen) has said. He is usually an honest, straightforward member of Parliament.

Mr. Cullen: Usually?

Mr. Towers: However, this time he seems to be just completely off the rails. The reason there are so many amendments to this piece of legislation is simply because it is such an obnoxious piece of legislation. I have never seen anything like this in the House in nine years. Never before has a government implemented a piece of legislation which is as inflationary as Bill C-57 which is before us. The multiplying effect on the cost of living which will result will be tremendous in the next few years. I hope that the backbenchers opposite will see the error of their ways and stop supporting the minister in what he is trying to do, not only to the service industries which we are talking about, but to the Canadian people as well.

The very basic requirement of life, that of heating our homes, will be taxed. Everyone must heat their homes in one

form or another. If one does not use gas, one uses oil. It is a requirement; and yet this government sees fit to tax it.

My colleague, the hon. member for Etobicoke Centre (Mr. Wilson), referred to people from Alberta who came down and pleaded with our committee, with the minister and with the cabinet not to tax natural gas, but that if the government was bound to go ahead with it, to please give them at least 90 days to collect the tax rather than force them to borrow money at the bank to pay the tax to government before they even had an opportunity to collect it. Your Honour is a fair-minded person and I am sure that you would agree with me that it is deliberately dishonest for a government to do that to a segment of our population.

The hon. member for Sarnia-Lambton just said that it was discriminatory. I would ask the minister what other piece of legislation has this government or any government ever put in place which forced the people involved to pay the tax before it was collected? I am sure it has never happened before. It is wrong. I am simply amazed that the government would not give some consideration to that aspect of the bill.

Further, as I said, the tax in the bill itself is inflationary. At this particular time we hear cries for help. I see the chairman of the Standing Committee on Agriculture in the House this afternoon. He knows the situation of farmers. The Ontario Federation of Agriculture made a presentation to us. They explained the serious condition which farmers are in financially. What does this government do? It puts a tax on natural gas so that the price of chemicals will go higher. Does that make sense? How can the government go back and face its farm friends when it is doing that? It was stated earlier today that as far as costs are concerned, fertilizer is just going through the roof. Fertilizers use natural gas as a base and so do chemicals. The deputy minister of one department in this government, the Department of Agriculture, has stated that the farmers will have to increase production 50 per cent in the next ten years. I have news for Your Honour. I will wager that the farmers will not be in a position to do that if the government continues to allow these costs to escalate as it is doing. It is not only allowing this to happen, but it is also causing and creating the problem. Farmers have enough problems with weather, climatic conditions, high cost of machinery, repairs and labour. However, when the government puts an excessive load on, it changes what it is doing. It changes its plans. Everyone will suffer as a consequence.

● (1720)

I do not plan to take too much time this afternoon, Mr. Speaker, as I know my colleague from Medicine Hat (Mr. Hargrave) wants to speak along the same lines. I wanted to bring to your attention and that of hon. members opposite what is happening to the agricultural industry in the province of Alberta. Not only will Albertans suffer, but farmers across Canada will suffer. The Alberta Gas Co-operative is the group that will be hurt by the imposition of this tax when it turns out that they have to give it to the Department of National Revenue prior to having collected it.

At this late date, I hope that the minister will change his policy and give a little bit of relief to those who are going to be hurt the most.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to say a loud "hear, hear" to the remarks of my colleague, the hon. member for Red Deer (Mr. Towers). I also want to indicate to the House why this party is opposed to the export tax on natural gas, why it is opposed to the government's general taxing policy on natural gas, and in particular I want to deal with the problem of the co-operatives.

As has been indicated, this party has moved an amendment which would require the government to give an extra 90 days to the Federation of Alberta Gas Co-ops Ltd. and to other co-operative enterprises, so that they will not have to borrow from the banks at 23 per cent or 24 per cent, or from the credit unions at a little less, in order to pay their taxes.

With respect to the amendment moved by my colleague the hon. member for Vancouver-Kingsway (Mr. Waddell), we are concerned that the government is, in a sense, doing two things. First of all, it is relying for a substantial amount of revenue on a commodity which, in our view, should not be exported in such amounts.

Second, in an incoherent, a selective and discriminatory way, it has chosen to levy a tax against the export of natural gas but not against the export of anything else. I want to correct that statement, Mr. Speaker; there is a tax on the export of oil. At this time in our history, when the tensions between producing provinces and consuming provinces are as great as they are, to say that we are going to single out a commodity which is of value and importance to producing provinces and tax it, but that we are not going to tax the export of hydro-electricity, for example, is unwise. Imagine the consequences in the province of Quebec if the federal government decided to export hydro-electricity! Imagine the consequences in the province of Ontario if the government decided to tax the export of hydro-electricity!

What makes it so clearly discriminatory is that in that part of the country where the government has no support, no political base, no constituency that it is afraid of alienating, that is where it decided to go after the tax on exports. If the government had decided that all exports of energy would be taxed, I would have thought it would do it in a way that is fair. But the government is responding to its own immediate, short-term political interests, its own immediate, short-term political constituency.

I do not challenge the legal or constitutional right of the government to tax an export. Of course it has the legal right to do that. But if it taxes things in a way that is discriminatory and that is bound to increase the feelings of tension and hardship that exist between and among Canadians, then it should be condemned. The government deserves a chance to change its mind, which we are attempting to do this afternoon in this vain exercise of trying to get it to move.

I do not want to deal in any detail with the National Energy Program or to the taxation PGRT problem and its effect on

provincial revenues and on federal-provincial economic relations. We will deal with that when those motions are before us.

I want to agree profoundly with what the hon. member for Red Deer (Mr. Towers) said about the effect of the natural gas tax on agricultural costs, on the problem of inflation, and in particular the impact on one group of producers, the co-operative producers.

The illusion of government policy, both with respect to interest rates and higher prices for natural gas, is that somehow these policies will combat inflation. How often have we heard the Minister of Finance (Mr. MacEachen) say that high interest rates are necessary in order to combat inflation? If we look at what is going on in the agricultural industry in Canada today and if we speak to farmers, no matter what commodity they produce, we can see that policies which force them to cut back production because they cannot afford to continue will reduce supplies. Any policy that reduces supply will have a disastrous effect on the price of fuel in Canada. The writing is on the wall, Mr. Speaker.

Recently I talked to beef producers in the province of Ontario and to the Ontario Federation of Agriculture. When they are asked what will happen to beef supplies in this country as a result of interest rates and the pricing policies of the government, they have plenty to say. In the years to come we will find out what is going to happen. It will not take long for that cycle to come home to the government. We should take note of this, Mr. Speaker—the matter was raised today in the House, as it has been raised in the past. If policies are introduced which have the effect of restricting production, that is a recipe for inflation out of control. The writing is on the wall, clear as day. We can see the effect on concentration; we can see the effect on the destruction of the family farm; we can see the effect on reducing competition and income security in agriculture because of the interest rate policy. It will have an effect on inflation as sure as the sun comes up in the morning, Mr. Speaker.

Try as it might, there is no way that the government can convince the farmers to continue production flat out, and to continue investment flat out, when they are paying 23 per cent, 24 per cent or 25 per cent for the money invested in their operation. For the government to claim that that kind of policy is anti-inflationary is a bogus argument, it is nonsensical and it is discouraging to the forces of commonsense in this House.

Quite apart from the interest rate policy, Mr. Speaker, we have the additional fact that the increases in the price of natural gas, which are a result of the government's taxation, are having a dramatic effect on the cost of fertilizer. The hon. member for Red Deer questioned the logic of this. The cost to the farmer is increased across the board; the cost of financing of fertilizer and items absolutely essential to his production is increased. As a result, the farmer either buys less, in which case he produces less, or his productivity increases less, he goes out of business or he passes the increased costs on to the consumer; otherwise he cannot survive. I do not see the logic of this, Mr. Speaker.

I have never accepted the principle, nor has this party, that the price of natural gas should be arbitrarily tied to the price of oil. Nor have we accepted the principle, which I will come to later when I talk about the PGRT, that it necessarily makes economic sense for the federal government to increase its take at the expense of the consumer or at the expense of the producer, simply in order to gain revenues. When you come to the items of principle, the items of grand policy, such as the PGRT and the export tax, there are basic divisions of opinion in this House over that policy. One does not always expect the government to move. We have had a number of these items going through.

• (1730)

There was a very detailed, practical presentation from the Alberta Federation of Gas Co-ops. They made a very specific presentation. They came in with their bills and showed us how much it cost. They showed what the revenue was and what their collection pattern was. They came to the government with a very simple, basic request.

They do not like the tax and do not want to pay the tax. However, they are law-abiding citizens and as long as the tax is legal, they will pay it. All they are asking for is a little bit of time, in this case 90 days, so they will not have to borrow from the bank in order to pay the government. This is co-operative enterprise. They are making a simple request for time. Just as with the artists, to all the requests, the ones that are reasonable, the ones of principle, which cause a division in the House of Commons and on which one does not always expect the government to move, items big and small, the government has one response, no.

I hope the minister has an explanation for the gas co-ops in Alberta that makes a little more sense than the explanation he has given us at this time. The convenience to the government is what is primarily and obviously fundamental. The concerns of a group of people who are not trying to make a few bucks but simply trying to face the problem of being asked to pay money they have not yet collected are not important to this government. They are being asked to pay revenues for the use of gas which they have yet to collect themselves. It is a sales tax on sales which have not yet been collected. It is the equivalent of that. It is like asking a manufacturer in the province of Ontario to pay a tax on goods which he has not yet produced. That is the illogicality of what the government is asking the gas co-ops to do. I would have thought it more reasonable for the government to say it will give them time to collect this money and then they can pay after it is collected. They are not asking for unlimited time; they are asking for 90 days.

I thought the government would see the wisdom of not causing undue and unnecessary hardship to taxpayers who are prepared to pay a tax even when they object to it strenuously. They are prepared to be law-abiding citizens. All they want is a little understanding of what goes into making their industry. As is so often the case with this government, it does not care what goes on in the working of any particular industry. All it is

interested in is collecting the money and devil take the hindmost.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to make a very short intervention on motion No. 36 which deletes clause 43 providing for the natural gas and gas liquids tax. I will raise just two points, the impact of this gas on my home city of Medicine Hat, and some comments to add to what we have heard about the implications of this tax on rural Alberta, in fact the effect of the tax on every farmer who uses either natural gas or fertilizer. There is an incredible impact on that group.

This is one of the two natural gas taxes that is unfair and unreasonable to my home city of Medicine Hat. As a modern city of 40,000 today, it owes its very beginning of almost 100 years ago to the discovery, development and use of natural gas. Medicine Hat is probably the only city in Canada that had the good sense and farsightedness to develop its own public utilities, and that includes the development of electrical power.

I remind the Minister of State for Finance (Mr. Bussières) of the very reasonable brief presented to the committee by Mayor Ted Grimm and Alderman Dr. Ken Sauer of Medicine Hat on the implications of these two taxes, especially this one, on our city. They pointed out quite properly that there is no precedent for such a tax on a city-owned public utility.

This specific tax has amounted to approximately $3 million since being implemented. It has been paid monthly by the city, but under protest. The mayor and city council take the view that the city is not liable for this tax.

I want to refer very briefly to the government's appraisal of the city council's presentation to the committee. It reads:

> Exempting the city of Medicine Hat would set a precedent for exempting all other public utilities such as B.C. Hydro and Saskatchewan Power Corporation. This would severely restrict the general application of the tax.

That was the government's appraisal on the city's presentation. I submit it would not set a precedent since B.C. Hydro and Saskatchewan Power are not a separately owned city utility or anything like it. That is a rather ridiculous comment to make about a reasonable presentation that came before the committee.

I want to make a few comments on the impact of this tax on rural Alberta or, essentially, on the farmers there. I remind the House, especially the minister, of the appearance before the committee of the members of the Federation of Alberta Gas Co-ops and their concern about the immediate and very severe increase in fertilizer costs since the manufacture of most fertilizers involves natural gas. They pointed out quite properly that the end result of this is to add significantly to food cost production, which is so important these days. They also made a very reasonable request for an extra 60 days to pay the tax. I again refer to the government's appraisal comments on this request which was referred to by two other members. It reads:

> While it is easy to sympathize with this request, other taxpayers could also make similar claims. For example, gas distributors often receive gas during the summer on which tax is paid and then store it for later distribution to consumers. To extend the time of payment for the tax for all taxpayers would be costly in terms of lost revenue.

I suggest with the greatest respect that no revenue would be lost by extending the time. It would extend the time for the beginning. After that, the regular income would come to the government. It is as simple as that. Again I quote from the appraisal as follows:

> Given that the federal tax is not imposed at the retail level, it is not possible to match the timing of the tax remittance with the actual receipt from the final consumer. The average 45 day lag in remittance has generally been found acceptable by the business community for federal sales tax purposes.

I should add that rural gas co-operatives and rural gas users do not store gas before they use it. It comes in through an enormous gas distribution system where it is flowing all the time. They use it constantly. The appraisal comments of the government on this request, which is very reasonable, entirely miss the boat. I urge the Minister of State for Finance to reconsider this.

Finally, I want to make a brief additional comment about the Federation of Gas Co-ops presentation. They pointed out that this particular tax and the PGRT work against the National Energy Program and the gas conversion proposal which is now being implemented, if only because the government is increasing the price of gas at the very beginning. Surely this is not the way to go about promoting an otherwise commendable part of that program to convert to natural gas. If you are going to boost the gas by two taxes before it ever gets into the pipeline, I think you are making this all the more difficult to begin with, and that is not the way to promote an otherwise commendable policy.

● (1740)

I should like to close by reminding the House of the very generous offer made by the Federal Gas Co-ops in Alberta to assist other provinces in the conversion, in the rural areas especially, as a result of their experience in providing gas to over 80 per cent of farm users in Alberta. They made a very generous offer and I think they should be commended for that very worthy gesture.

While I appreciate the fact that the Minister of State for Finance is in his place participating, I would ask where the Minister of Energy, Mines and Resources (Mr. Lalonde) is. His absence is conspicuous. This is the time of the debate, when we are down to the final stages, when he of all people should be in the House to hear the debate.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I too take a great deal of pleasure in rising to speak to this collection of motions and once again register for our party virtually the rage we are feeling when discussing these kinds of problems. What motivates that, Mr. Speaker, is that I recall very vividly the two groups that appeared before the finance committee, chaired by a most able chairman who stood out in my mind as being serious and having spent a great deal of time and effort preparing thoughtful briefs. They presented briefs in a very positive and, I would say, somewhat optimistic way. Those representatives were from the city of Medicine Hat, referred to by the hon. member for Medicine Hat (Mr. Hargrave), and the natural gas co-ops from Alberta.

The co-ops were before us again to protest against having to pay this particular tax, but recognizing that it was likely to be inevitable, they asked for some consideration in terms of the frequency of payment. They asked for 90 days within which to pay this tax in order to avoid going to the chartered banks of Canada to borrow the money. How on earth could anyone, let alone the government, say no, knowing it would collect the tax in the end and force the co-ops to go to the banks to borrow at excessive interest rates to make the payments? How could anyone say in all seriousness that that is an appropriate step? We will be waiting with some anxiety for the Minister of State for Finance to respond to that particular concern.

The municipality of Medicine Hat appeared before us. That is a city whose council a number of years ago had the foresight to recognize a valuable resource and develop it to advantage. That was a city council which had the vision to utilize a resource at hand, and as a result was able to provide a very attractive feature to industry for consideration in their decision-making process as to where they would or would not locate. They were attracted to the area of Medicine Hat because of the relatively low cost of energy, and also because of the fact the municipality used natural gas to generate power and light the street lights of the community and so on.

I cannot for the life of me understand why a government would say it was going to tax a municipality that is unique in Canada; it does not care, it is going to tax that municipality anyway. This is a small municipality relative to the rest of urban Canada, but the government says it does not have any particular compassion, it does not recognize the efforts of the municipality over the decades to develop this resource, it is going to impose the tax. I do not know why we do not have a government which could show a little more compassion, a government which says it appreciates and recognizes the wise decision that city has taken in developing the resource over the years to the benefit of its citizens and, indeed, the residents of Southern Alberta and indirectly the citizens of Canada.

My colleague, the hon. member for Broadview-Greenwood (Mr. Rae) spoke eloquently at some length about the multiplier effect of this tax and how it is going to touch the lives of so many Canadians; one could almost say all Canadians because it will result in higher food costs.

Just the other day we witnessed a demonstration in front of the Parliament buildings by a group of women protesting rising prices. They told story after story of personal incidents of which they were aware of families having difficulty putting food on their tables. This is occurring in what is probably the richest country in the world. Families are having difficulty in many cases in many parts of Canada putting food on their tables. This particular tax on natural gas will result in even higher food prices.

In the last number of weeks I have had the opportunity of visiting with a number of cattlemen, dairymen, orchardists and market gardeners in my riding, and every single one of those individuals is extremely concerned about the viability of their venture in the next number of years. Right now they are simply making payments and they are certainly not considering expansion in the food business. They are cutting back almost to the last individual, selling off land and reducing production simply because the interest rates are killing them. Now we are going to hit them with this tax which will make their costs even greater.

As the hon. member for Broadview-Greenwood stated, this is going to come back to haunt us in a few months just as certainly as the sun is going to rise tomorrow. This is the beginning of a process and we will see the impact of this on Canadian families in the next number of days and weeks.

As a western member let me ask why it is that the government is taxing these particular resources, natural gas and oil? Why is the government not putting a tax on water and why is it not putting a tax on electricity? I suggest it is because this would have implications which would raise the ire of certain provinces of Canada. Why is it the government is essentially choosing two, or three provinces in Canada in this particular legislation, saying it is going to levy a tax on the people living in those three provinces? Why does the government not tax electricity?

Mr. Cullen: We did.

Mr. Riis: Why don't you place a tax on hydro resources?

Mr. Cullen: We did.

Mr. Riis: Well, we do not any longer. In my own province of British Columbia hydro resources are not taxed, and hydro resources in Ontario and Quebec are not taxed, but natural gas and oil are. What about coal, do we levy a tax on it as an energy form? We do not. We just levy a tax on very selective energy resources. Can anybody explain why that is not discriminatory, identifying two resources out of many and saying those two are to be taxed but not others? Coal and hydroelectricity are resources which are not taxed in this country. They are energy sources which are found across the country, but we have selected out essentially one province—at the most, three—and are taxing it. Is that fair? How on earth can anyone suggest we are treating the regions of Canada equally? As a western member of the House of Commons I feel extremely bitter about what I see as a very discriminatory act.

• (1750)

During the constitutional discussions our party wanted to make the case very strongly that we felt that resources should come under provincial control. We moved an appropriate motion to see that that would occur in the ultimate statement of Canadian law. Yet we see here an obvious infringement in that area. It has been taken to the courts, and the courts have ruled. As the hon. member who spoke previously this afternoon said, even now it is before the Supreme Court of Canada. Here we are during these very delicate and sensitive times of negotiation ramming this through and obviously not caring particularly about this infringement into this provincial area of jurisdiction.

I could go on and on just on this matter, let alone discussing what Bill C-57 would do to the artists of Canada, the disabled

and many others. Quite frankly, it is difficult to understand the motivation across the aisle. I read with interest the justification presented by the Minister of Finance (Mr. MacEachen) as to why the government ignored all the briefs presented. On page after page the justification was that one proposal was silly and another inappropriate. It was suggested that a certain group had obviously not done its homework. The justification amounts to a very arrogant set of statements. It is a reflection of that attitude when we hear hon. members opposite shout "nay" to motions which any rational and sensible person would have to agree are certainly credible.

With that I will allow other colleagues to comment on this very crucial part of Bill C-57. We will have more to say about other motions when they come up after dinner.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, briefly with respect to the natural gas tax, this tax of 30 cents an Mcf now, another 15 cents to come due on July 1, another 15 cents on January 1 and another the following January 1, to run to a total of 75 cents per Mcf, is unrealistic and wrong.

First let me deal with the export tax feature. It was intended when the budget was introduced in October that we as Canadians would be able to raise our export price of natural gas by 30 cents an Mcf very quickly after the imposition of the tax and that by February we could do that so that in effect the foreign purchaser would be paying that 30 cents. What in fact has happened is that it has not been possible, and consequently the tax has come back on the producer of the gas.

With respect to the tax against the producers of the product, what we are really doing is taxing the producer, and taxing him almost on a royalty basis. Surely any royalty which is attributable to a natural product should be collected by a province. I am not saying for one moment that the federal government has no right to levy taxes, but the federal government's basic right to levy taxes on products is at the manufacturer's level. This tax is levied on virtually a raw product or an input, so it winds up being passed on and on.

For example, we do not charge tax on wood cut for pulp. We charge a sales tax on paper. The reason we do not charge a tax on the input is that we want to bring about further production and further improvement in the product. We do not want our tax at the initial level passed on and on in higher prices so that people must obtain markups on products, so we charge tax at the manufacturer's level.

This tax is bad because it attempts to tax natural gas and natural gas liquids. It does not tax on a separate basis the end product from the manufacturing use of natural gas. For example, if we are going to use natural gas for the manufacture of fertilizer, it is perfectly proper, if this government wants to tax fertilizer, to tax fertilizer by the pound or tonne or however it wants to tax it. If the government wants to do that, it can do so, but when it taxes fertilizer by taxing the input into a fertilizer plant, then it is doing it very indirectly. What it is doing is increasing the cost of the fertilizer to the consumer far beyond what it should really be. What we are really saying is that we are not concerned that the government levies taxes, because government must levy taxes. We are not concerned that governments levy taxes on manufactured products, but surely this government should not levy taxes on the inputs into manufacturing. That is what the government is doing here.

Mr. Evans: How about labour?

Mr. Blenkarn: The government levies taxes on labour all the time. Every person who pays income tax is being taxed on his labour.

Mr. Evans: Is that not an input?

Mr. Blenkarn: What we should be doing is levying a tax on the product of the manufacturer so that if a person buys butane, for example, and makes something with it, the tax should be levied on that. That would be a proper tax. The government can raise the sales tax if it wants to do so on that type of product, but what we have here is a tax at the input level. Then there is a further tax at a later date. The trouble is that that tax becomes built into the system, and overhead, profit, and transportation costs are added to the tax levied on the raw product.

The tax is not just a tax of 30 cents an mcf or eventually 75 cents an mcf; it is a tax which has to be reflected in price, in interest costs and other costs, and those costs have to be passed on. This tax is on input; that will cause the end product to be much more expensive.

Certainly governments must obtain revenues, but surely this is not the way to levy a tax because this is the most inflationary way to do so. It is very damaging to our manufacturing industry to levy tax this way. It is not in the industrial interest of Canada.

If the government wants to tax consumers on the gas they use to heat their homes, then the government should deliberately say it is going to tax consumers on their heat. I suppose the government has a right to do that. I do not think that is the right thing to do in a cold climate, but that is the way it should be imposed.

The Acting Speaker (Mr. Blaker): Order, please. I have the impression the hon. member will want to use the remainder of the time available to him. If he does not mind, perhaps I should interrupt him, in view of the time, and he can continue his remarks later.

I must leave matters clear for the House at eight o'clock. The hon. member for Sarnia (Mr. Cullen) and the hon. member for Kamloops-Shuswap (Mr. Riis) have received a ruling from the Chair that they are entitled to yeas and nays on their respective motions Nos. 38 and 39.

If the hon. member for Mississauga South (Mr. Blenkarn) wishes to continue his remarks at eight o'clock, he will, of course, be recognized.

It being six o'clock I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order. When the House rose at six o'clock, the House was considering motions Nos. 36, 37, 38, 39, 40, 41, 42 and 43 which are grouped for debate. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is being put on motion No. 36—the hon. member for Etobicoke Centre (Mr. Wilson).

Mr. Wilson: Mr. Speaker, I wonder whether the Minister of State for Finance (Mr. Bussières) is going to respond to a number of questions that have been put to him on these particular amendments. They are important questions which are of great concern to people in western Canada and across the country in terms of the impact this tax has on food. I would like very much to hear the comments of the Minister of State for Finance.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, the hon. member—and I hope he is listening—will have an opportunity to rise later on. He will take ten minutes to criticize the government because he does not have the time to speak. When we speak, he is not satisfied, but when we do not, he is not satisfied either. He is never satisfied. It is my duty, and his too, to co-operate and see to it that the House can function.

One of the questions raised by the hon. member is why there is no exception for fertilizers or for other sectors. Obviously, in certain spheres of activity or for certain goods, we have to consider input factors, production costs, as well as the possible effects on other sectors of trade, and in this case, the sector to be considered is that of food production. Several industries have asked to be exempted from the tax on natural gas and, of course, the industrial sectors that are major consumers of natural gas would also have liked to be exempted. However, we have to consider the purpose of this tax, which is to yield revenues to the federal government by other means than by increasing the well-head price, and if we were to justify an exemption for one sector, we could also find justification to exempt another one and finally, we would have a very great number of exempted sectors, and there would be no reason to maintain the tax.

However, because the tax must be maintained and is fully justified within the framework of the National Energy Program, we are maintaining it and we are not granting any exemptions. The hon. member for Sarnia-Lambton (Mr. Cullen) has made some interesting comments, and I would like him to remember that Revenue Canada is still investigating to ensure that liquid gas substitutes in the fractionating process are not used to avoid the tax. Obviously, at first glance, one might think that there is a certain kind of discrimination. If one goes deeper into the matter, it becomes clear that, if granted, the exemption asked by the hon. member would reverse the problem and create a distinct advantage in a very special case.

Taken as a whole, amendments Nos. 36 to 43 aim quite simply at removing completely the tax on natural gas liquids and deleting the sections which provide for the imposition of such a tax. As I have indicated, this tax is part of the National Energy Program. I do not want to go over the major elements of this energy program which, I am certain, has the support of most Canadians. We recognize that some parts of the energy program may cause certain problems to certain groups of individuals. For instance, I am certain that the New Democratic Party is 100 per cent in favour of the Canadianization program and certainly of the basic objectives of the National Energy Program, but it finds it hard to accept taxes on natural gas, in this case, Mr. Speaker, and on oil, which aim at redistributing the revenues generated by this production sector.

• (2010)

The hon. member for Kamloops-Shuswap (Mr. Riis) says: Very well, you are taxing a resource involving three provinces. Let me ask him if he accepts the fact that in these circumstances, not only in Canada but all over the world, some natural resources cannot be a source of wealth, of much greater wealth than some other resources that certain provinces may develop in other parts of the country, and consequently, if we try to analyse— The hon. member for Broadview-Greenwood (Mr. Rae) asks if the price of gold has not increased. It has, and since then mine operating subsidies have ceased. Because the hon. member must remember that over a long period of time there have been gold mine operating subsidies in this country. Fortunately, with the increase in world gold prices, such subsidies are no longer needed.

I wanted to indicate that some natural resources may generate more wealth than other resources. It is normal, under the general sharing principle that is basic to the Canadian federation, that those revenues be used first to establish a better domestic price in Canada for Canada's oil products, second to use that surplus wealth to Canadianize oil research, exploration and development operations in Canada, and finally that we pursue the much broader goal of oil self-sufficiency, in keeping with our national energy program of oil self-sufficiency for Canadians, in the near future. This is why I propose to reject most amendments and maintain taxes on liquid substitutes for natural gas.

[*English*]

Mr. Hargrave: Mr. Speaker, I should like to remind the Minister of State for Finance (Mr. Bussières) that before the House rose for the dinner hour at least four or five members on this side of the House raised a very reasonable point about the extension of the time from 30 days to 90 days in the payment of the gas tax. It was a very genuine and sincere

request. They did not request a reduction in the tax by even one cent. I hope the minister will at least respond to it.

[*Translation*]

Mr. Bussières: Mr. Speaker, with respect to the same point of order, I apologize to the hon. member. I had it in my notes. I wanted to speak of the request for an extension, from 30 to 90 days, of the time granted for payment of the natural gas tax in the case of co-operatives. However, as one can see, in all cases, we have a 30-day period. It could always be argued that an exception could be made in the case of co-operatives. However, should we have an exception? Is it warranted? Or else should the period in all cases be extended from 30 to 90 days? Finally, it should be noted that this extension could appeal to other groups, either individuals or manufacturers, who must comply with the 30-day period.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wonder if the hon. minister takes into account the fact that on the average it takes the post office ten days to deliver bills and even with all the good will it will take another ten days to send the cheque in for payment. Therefore, that only leaves a margin of ten days. Moreover, the co-ops would in fact be able to pay the outstanding tax, within the 30-day period, long before their customers have even received their bills and had the opportunity to pay them. Is the minister aware of that?

● (2020)

Mr. Bussières: Mr. Speaker, the hon. member's questions seem to imply that neither I, as an individual, nor the government are concerned about the needs of the people. The problem is not concern about people's needs but the respective merits of universality versus individual cases. The hon. member is asking about the time lag between sending and receiving a bill. As he is well versed in accounting, he is certainly aware that there exists a billing procedure which eliminates everything, which eliminates—

Mr. Lambert: Even in rural areas?

Mr. Bussières: Surely I know more about rural areas than the hon. member who lives in the city of Edmonton. Bell Canada uses the same billing system whether its customers live in Normandin, Charlesbourg or Edmonton. Equal billing means setting a monthly average with adjustments at the end of the year which permit tax refunds and regular revenues on all sorts of consumer goods, such as fuel oil, gas, telephone or electricity.

[*English*]

Mr. Taylor: Mr. Speaker, on a point of order. It is a pretty poor show when the minister rationalizes a simple request about simply delaying the payment. Because of that the co-ops must go to the banks, borrow money and put more debts on the backs of the producers. Who is this government working for, the banks or the people?

Mr. Evans: I rise on a point of order, Mr. Speaker. Mr. Speaker, there is a very fundamental point here which hon. members opposite seem to be missing. Let us consider the manufacturers' excise tax which is very similar—

Mr. Wilson: We are talking about natural gas.

Mr. Evans: Let us talk about the principle which underlies this matter. I know the hon. member does not talk about principles very often. Let us use an automobile dealer as an example. He buys cars, and built into the price of those cars is a 9 per cent manufacturers' excise tax. The automobile dealer must go out and borrow the money to carry his inventory. Should we say that it is not necessary for him to go out and borrow the money and therefore we should extend payment on the tax until the dealer sells the car?

What about the gas distributor in Sarnia who must bring in the gas and hold it for six months before it is distributed? It is not distributed but the tax is paid. Should that distributor also have up to six or seven months to pay? Why does the hon. member think that since it happens to be a co-op it should receive special treatment?

Mr. Wilson: That is not the point.

Mr. Evans: The principle is that the tax is paid at the time the product is transferred to the distributor. That is the principle which has been followed in all other cases and there is no reason why it should not be followed in this case.

Mr. Taylor: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: With all due respect, the Chair has recognized hon. members on more than one occasion. This is not Committee of the Whole. We are at report stage.

Is the House ready for the question?

Mr. Taylor: I have a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Bow River on a point of order.

Mr. Taylor: I do not pay income tax until after I make the money. Why—

Mr. Deputy Speaker: The hon. member is on a point of argument, not a point of order.

Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 36. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to the agreement made earlier the vote stands deferred.

Motion No. 44 will be debated separately and voted on separately.

Mr. Rae: I rise on a point of order, Mr. Speaker. There was an earlier ruling by Mr. Speaker this afternoon that although we would have a voice vote on motion No. 36 we would also be entitled to a voice vote on motions Nos. 38 and 39 as well. Therefore, I would ask that we be allowed to have that vote now, prior to moving on to motion No. 44.

Mr. Deputy Speaker: Is it the wish of hon. members that the voice vote be put now?

Some hon. Members: Agreed.

Mr. Deputy Speaker: This is a deviation from Madam Speaker's earlier proposal.

Mr. Rae: We agree on the deviation.

Mr. Deputy Speaker: The question is on motion No. 37. Is it the pleasure of the House to adopt the said motion?

Mr. Rae: No, motions Nos. 38 and 39.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The question is on motion No. 38. Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division

Motion negatived on division.

Mr. Deputy Speaker: The question is on motion No. 39. Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to an agreement made earlier the motion stands deferred.

Now we will go to motion No. 44.

Hon. Pierre Bussières (for Mr. MacEachen) moved:

Motion No. 44.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in clause 55 by striking out line 34 at page 66 and substituting the following therefor:

"section (1).

(6) Any regulation made pursuant to subsection (5) may be made effective with reference to any period commencing on or after March 31, 1981."

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

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on motion No. 44. Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Motion agreed to on division.

Mr. Deputy Speaker: Motions Nos. 45 and 54 are to be grouped for debate. They will be voted on as follows: questions will be put on motions Nos. 45, 46, 48, 49 and 54 separately.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 45.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in clause 76 by substituting the words "a special licence" for the words "a special temporary licence" wherever the latter words occur.

He said: Mr. Speaker, this group of amendments is a package approach which our party has taken toward the extension of the use of fuel alcohol and the production of fuel alcohol in Canada from the experimental stage which had been set out in the bill by the government to a limited production. My hon. friend for Bruce-Grey (Mr. Gurbin) will be speaking more extensively on this measure. I will simply say at this time that we are extremely disappointed that the government has not found itself in a position to have really considered these amendments that we have put forward. I spoke to the staff of the minister earlier today, and they claim that they need further study. I think that this is further evidence of the fact that this legislation is being pushed through far too quickly, without sufficient consideration of the

amendments which have been put forward, and have been well thought out.

● (2030)

We have had a great deal of support from the various interest groups which have an interest in the production of fuel alcohol. I believe that if the minister would sit back and consider the context of these amendments within the context of the energy policy and within the context of the task force on alternate energy, there would be very little hesitation in his acceptance of these amendments. I believe it would be done very quickly. However, we are being rushed here because of the odious closure motion which has been laid on us here. We have simply not had the time to consider these amendments which will move us from the very tentative experimental stage, as put forward in the bill, to the production stage that we are urging upon the government.

Therefore, I do not propose to speak further on this matter. I will yield the floor to my friend, the hon. member for Bruce-Grey. However, I will just comment very briefly that these amendments will move us closer to self-sufficiency in our total energy picture, reduce our reliance on imported oil, and we will be moving in a very consistent way with the national energy policy as put forward by the government.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I would just like to start off by trying to put this bill into context in light of the comments which the minister has just made regarding the whole issue on energy, the tax on natural gas, and government policy in general. The tax on natural gas is a very good example—as is the grouping of recommendations which have been made in Sections 75 and 76 in Bill C-57—of the narrowness of vision which really amounts to tunnel vision and the focus which the government takes on one aspect of the problem when the problem really includes a number of different aspects, taking the energy picture, economics and the country at large into consideration.

I think the natural gas example is a good one when one looks at the impact it has on fertilizer. It has been well pointed out that this will run through the system adding to fertilizer costs and increasing costs which are being borne particularly by farmers. In the end, they are bearing not only increased costs of production, energy and fertilizer, but also the costs of other government programs. Those economic costs are reaching a crisis point, and our agricultural community is really very vulnerable. Indeed, many farmers will go out of production because of the combination of these costs and the fact that they cannot continue to bear them. This, in the end, will leave us vulnerable in terms of food costs which will again increase our dependence on imports. The whole inflationary spiral will continue and feed itself.

This is where I have a great deal of trouble in accepting the comments of the Minister of State (Finance) (Mr. Bussières) because he seems to segment this, taking it as one aspect when it must be a combined, total picture. This is not unusual for the government to do. Indeed, this whole bill is a measure which is designed to increase the revenue to the government at a time when it is feeding off our natural resources and when we are without an economic policy to give the business world any sense of confidence to invest in Canada. We have to prop our dollar up. We have to do unusual, extraordinary things to improve revenue. We have to keep the interest rates up, the government says, because of inflation. We know it is because the dollar is weak. If the government does not continue to keep it up there, the dollar will weaken further and will, in fact, fall precipitously. That is because of a lack of general understanding of the integration of economics with agriculture and energy. If that is something which the minister does not understand, hopefully some of the people in the rest of his department might; but certainly they do not focus on it when they draw up these bills.

I would like to spend my time mainly commenting on Sections 75 and 76 of Bill C-57. These are really designed to help promote the development of gasohol, denatured spirits or denatured alcohol, whatever one might call it. The bill has done one good thing. It has removed the excise tax so that gasohol or ethyl alcohol can be produced without the $17.50 tax per gallon which is placed on spirits which are for human consumption. That is a good provision in the bill.

The other things which the bill does is to start to address the problems of the small producers who make alcohol for fuel purposes. This is done by providing what is called a temporary licence. The unfortunate fact is that as it is a temporary licence, it is really only good for one year. What has really been done is that, in combination with the money aspects of the bill, a system of regulatory control has been set up, including a temporary licence which must be renewed every year and including diagrams which must go to the department when a person wishes to make a still.

There are a whole set of regulations which would delight any bureaucrat but which would frustrate the heck out of anyone who was really serious about producing alcohol. Who can build and set up an economically viable still from spare parts, different pieces of equipment from different areas, when he must submit diagrams to someone sitting in Ottawa who will judge whether it is correct? Who will build a still if, at the end of the year, he must have another review and face the fact that his licence will either be withheld or not renewed? Who will do it when he knows he has only a temporary licence when, indeed, what he needs in a sense of confidence that the whole issue will be dealt with in a reasonable and realistic way?

What we have really done with this measure and the amendments which the government has brought forward so far is to go back to the position in which the Americans were during 1978 or 1979. In the several years since that time, the Americans have moved forward. They have what is almost a deregulation of the whole issue in the United States. An individual or a small producer, defined according to certain quantities, can go ahead and start producing ethyl alcohol for fuel consumption simply by making a telephone call. There are many arguments as to whether this is something we should promote in a grand way in Canada.

I think that there are arguments for being able to use a renewable source for the feedstock and arguments regarding the environmental effects. We know that the products of combustion of ethynol are much safer for the environment than are the products of gasoline. There are arguments that we can use the waste products. Indeed, in Prince Edward Island there is a program right now which is using waste potatoes, and ethyl alcohol is developed from that. There are many different aspects to this argument.

I think that the essence of it, though, is that we can look to this for an extension of the transportation fuels which are so desperately needed in this country. I say that there is a desperate need. We know that as a direct consequence of the National Energy Program, in some ways, and as a direct consequence of the dwindling resources of conventional oils in Alberta, we are indeed facing a real shortfall, a critical crunch, sometime in 1983 or 1984. In fact, one of the most recent publications has shown that we might be facing up to a shortfall of about 30 per cent in the reasonably near future if we continue with the same kind of programs in the same focused way under the National Energy Program.

We can look to the production of ethyl alcohol, by individual farmers or individual groups of farmers, in small quantities for personal consumption; but when that production exceeds their consumption, particularly if it is in waste, they must also have the ability to dispose of the excess amount of alcohol. This is another critical aspect of the bill that has not been addressed in the amendments put forward by the government. There is no provision for an individual producer to dispose of excess production. This is a very limiting factor and will make economic production of ethyl alcohol very difficult.

● (2040)

There are many technical aspects to the production of ethyl alcohol and if people begin to produce in a big way we will see the development of technology. New organisms will be used for fermentation processes, new equipment will be developed to make use of the product more simple, and a host of other good things will happen.

The bottom line is that we are looking for an extension of our transportation fuel in order to provide security of supply to farmers and those people who really need the economies that can be gained from individual production. It is important that the energy that is required for food production be available.

The Special Committee on Alternative Energy and Oil Substitution which reported to the House recently, had an opportunity to compare this form of energy with others.

The comments I have just made roughly reflect the conclusions of the committee. The committee report recommended that people be permitted to sell their excess production to retailers. This bill, which I suppose will not be amended for a long time, imposes the constraint that people can only produce enough for their own needs. That is a severe constraint, Mr. Speaker, and one that needs to be and should be removed. The alternative is a limited number of people engaged in a limited production and the potential of this source of fuel will not be achieved.

The amendment offered by this party would do several things. First of all, it calls for the temporary licence to be replaced by a special licence. We suggest a five year licence that could be renewed or even removed by the minister at his discretion. A one-year licence is very confining and restricts development.

We also recommend that the individual producer be allowed to sell his surplus production to other farmers or people off the production site.

No member of the House should have any difficulty at all in supporting our amendments, Mr. Speaker. The only money aspects that are involved were dealt with by the government. The provision concerning the bonding issue has been changed from the $200,000 level to $4,000 to $10,000 and perhaps it could even be removed altogether. We do not argue about this and have not included it in our amendment. The excise tax has been removed so that is not a consideration either. There is nothing here that would be a cost to the government.

We have an opportunity here, Mr. Speaker, to allow production of this fuel to expand if we adopt the amendments put forward by this party. Opportunities abound, Mr. Speaker. We have the opportunity to provide Canada with an additional source of energy that will complement existing systems and can be integrated into the use of gasoline. It can extend gasoline and allow us to achieve many advances in agricultural production, the use of marginal lands, improving the environment and all the things that the National Energy Program aspires to and that Canadians would like to see come about. There is no reason why any member of this House cannot support those amendments, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we in the NDP lend our support to these particular motions. They are good motions and the movers have obviously done a great deal of work in preparing the precise and thoughtful wording of them. We endorse the motions 100 per cent.

The previous speaker made it clear that there is an opportunity for Canada and the government to take a leadership role in the drive toward self-sufficiency. We can join with New Zealand, with the United States, with Brazil to develop technologies that will promote the use of ethyl alcohol and offset the increasing and tremendous costs of transportation fuels.

We can visualize a still on every farm, Mr. Speaker. We have an opportunity to open up marginal farmland. Anything that rots can be turned into an alcohol that will prolong the life of an automobile engine. Many people already add alcohol in one form or another to their gas tanks, with the result that the lifespan of the engine is not 40,000 or 50,000 or 100,000 but 200,000 or 300,000 miles, this, by the simple addition of alcohol to gasoline. We should be working toward this goal in Canada.

Many jobs would be created through the manufacture of stills. Presumably the Minister of Industry, Trade and Commerce (Mr. Gray) would be pleased to initiate a whole new set of manufacturing opportunities and job-creation programs across Canada.

Hundreds of thousands of farmers, using marginal agricultural land could take advantage of the opportunity to produce this fuel. It would give them an alternate source of income, would lead to the development of marginal farmland, and would be another step towards energy self-sufficiency for the country.

In the United States, one of the few programs that was successful for President Carter, was the move to the production of gasohol. It can be purchased in various States today. Within a few years Brazil plans to use gasohol for the major portion of its transportation fuel. What is Canada, a major agricultural producer, doing to show leadership in the development of this industry? I think we would have to admit that we are doing very little in this direction. There is an opportunity today, through these motions, to show the leadership that is required, and to say that we are prepared to move into this area. A still on every farm could be used as a theme.

Some hon. Members: Hear, hear!

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I shall not speak long on this matter but I do want to make some very short and pertinent remarks.

I believe the government has put restrictions on this legislation with the sole objective of preventing bootlegging. But I cannot think of any legislation more likely to promote bootlegging than this bill, Mr. Speaker. It would partially legislate the use and production of ethyl alcohol as a fuel by means of the one-year licence. To me that suggests minimization of capital investment; the lowest amount of money that can possibly be put in the system. It would also promote the use of the illegal still as against legal ones. People could hide them.

If I were to promote the use of ethyl alcohol as a fuel, I would seriously look to a process that would promote larger capital investment and a longer licence, thus reducing the risk to the investor. It could be done on an area basis with special licences so that farmers and others growing certain stuffs could sell to a central point where alcohol could be produced. It could be policed and controlled and even watched, if desired, by the fewest number of civil servants possible. However, that is not what the government is doing. It brings in a piece of legislation saying "you shall minimize your capital investment because you may lose it next year as you will only get a one-year licence."

● (2050)

That is the worst of all worlds. Indeed, it could promote bootlegging in a major way. If one person gets a licence for a small still, and begins to put the product in his car, the farmer down the way, even though he does not have a licence, will put in a still and do the same. Soon there will not be enough inspectors to look after the stills.

The government has gone in the opposite direction from rational movement, that is an installation with a large degree of capital investment in one plant producing under proper control denatured alcohol and so forth. This opens the door to all sorts of illegal stills which will crop up all over the place.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I should like to point out that the objections raised against the amendments moved by the hon. member for Etobicoke Centre (Mr. Wilson, which I had an opportunity to discuss at length with the member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and which have to do with gasohol production, are not basic objections because they are prompted by the economic situation or the circumstances.

Should one consider the intent of the legislation, one would realize that the measures adopted were only transitory. They are aimed at promoting the existence of a situation similar to the one just described by the hon. member for Edmonton East (Mr. Yurko) in his remarks, namely to make it possible to continue the development of experimentation in the fields of production and use, while making sure that the production control mechanisms are operational. Indeed, it is an open secret that alcohol control in Canada has always been rather well structured and tight enough, so that before liberalizing our alcohol production potential and diverting it to fuel uses, as the hon. member for Etobicoke Centre would have it, the Departments of Energy, Mines and Resources, National Revenue, Finance and even Agriculture should jointly draft a policy and continue to follow the evolution of research and use of gasohol as an energy source for automotive vehicles, and then we will be in a position under the Excise Tax Act to come up with measures which will be better adapted to the evolution, the application and the use of gasohol. I would therefore urge hon. members to reject the amendments, not because they are not worth while, but because the existing transitory measures we now have will do nicely until we reach the degree of expertise which will enable us to opt for greater liberalization.

[*English*]

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I will attempt to be brief on this amendment. It seems strange to those of us from the farm communities that, although there is an opportunity here for the producing farmer to conserve energy and lower production costs, two things very important to the national economy of this country, the government says no. When we point to examples in the United States, the minister says yes, for one year at a time. No one will make an investment in the necessary size still for one year. Experience in the United States shows that a $25,000 investment is needed to make it economical.

What we see in this amendment is something that is seen throughout the bill. Any bill that goes before a committee with over 130 amendments must be a poor bill. Mistakes must have been made in drafting the bill. Even the government has presented amendments, so there must have been mistakes.

Why is it that only the government can have amendments accepted when we all know there are other mistakes in the bill?

Look at what the National Energy Program, the tax and the PGRT are doing to the province of Saskatchewan. Sixty per cent of the Saskatchewan producing wells have been rendered uneconomic. Fully one third of the wells in Saskatchewan are now shut in, not because the producers want that, but because of the insidious 8 per cent tax.

In 1980 the tax on Saskatchewan heavy crude alone gave to the federal government $600 million. That is $600 per man, woman and child in the province of Saskatchewan. It is more money than the province and the producers combined received. Even if the federal government took half from the producing province, it would not be overreaching. However, as I said, it is taking more than the province and the producers received in total.

In southwestern Saskatchewan, a 100 barrel a day well loses 13 cents a barrel, a 45 barrel well loses 13 cents a barrel and a 10 barrel a day makes $1.46. This government thinks we should have all ten-barrel-a-day wells, which are strippers, virtually worthless. The minute there is a problem well, the producer refuses to bring in an overworked rig, which runs around $1,400 to $1,500 a day. That is why the wells are shut in. No company wants to continue to lose money.

This government says this province should remove its tax and bring it in a better perspective, but the oil resources belong to the provinces. We received that right in Alberta and Saskatchewan in 1931 and, I may say, under a Progressive Conservative government. This government has decided to remove that by taking an additional 8 per cent after the producers and the province had jointly reached an agreement on how to share the wealth of the resource of that province.

If this continues, we will not reach energy self-sufficiency by 1990. This is the second time in the last ten years that a Liberal government has made a commitment to self-sufficiency. The last time was in 1973 when the then government brought in another energy program. At that time the prime objective was "to reach before the end of the decade self-sufficiency in oil and oil products". That was in 1973, so it meant self-sufficiency in 1980.

Now we have another National Energy Program brought in by a Liberal government. It now says we will reach energy self-sufficiency by 1990. With the present program and the grab by the federal government of the resources which belong to Saskatchewan, Alberta and other producing provinces, we will not reach energy self-sufficiency by 1990, and, in all likelihood, not by the year 2000. I do not see any reason that the people of Canada should expect this government to honour its agreement to have energy self-sufficiency by 1990, any more than it was able to reach energy self-sufficiency through the last energy program by 1980.

• (2100)

Some hon. Members: Order.

Mr. McKnight: I see that everyone is looking at the clock, Mr. Speaker. I believe the time is nine o'clock.

Mr. Deputy Speaker: It being nine o'clock p.m., pursuant to the order made on Wednesday, June 17, 1981, it is my duty to interrupt the proceedings and call for the yeas and nays on all questions necessary to dispose of Bill C-57 at the report stage. The first question is on motion No. 45. All those in favour of the motion please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to agreement made earlier the vote stands deferred.

The next question is on motion No. 46.

Hon. Michael Wilson (for Mr. Blenkarn) moved:

Motion No. 46.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 18 and 19 at page 72 and substituting the following therefor:

"any person or group of persons or corporation who have complied with this act, where".

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 47.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 47.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 19 to 27 at page 72 and substituting the following therefor:

"Act where denatured spirits manufactured under the licence are used for the development of a fuel and are produced in quantities which do not exceed 1,500 litres per day or 350,000 litres per year."

Mr. Deputy Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to agreement reached earlier this question stands deferred.

The next question is on motion No. 48.

Hon. Michael Wilson (for Mr. Blenkarn) moved:

Motion No. 48.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 24 to 27 at page 72 and substituting the following therefor:

"(*b*) the denatured spirits and fuel referred to in paragraph (*a*) are for the licensee's own use and may be sold to such persons as the minister may on application designate."

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 49.

Hon. Michael Wilson (for Mr. Blenkarn) moved:

Motion No. 49.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 33 to 35 at page 72 and substituting the following therefor:

"by the minister that is not more than five thousand dollars and not less than one thousand dollars."

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 50.

Hon. Michael Wilson (for Mr. Blenkarn) moved:

Motion No. 50.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 24 to 29 at page 73 and substituting the following therefor:

"under this section shall be valid for five years and shall be automatically renewed for successive periods of five years unless the minister can show cause that the said special temporary licence should not be further renewed".

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The negative vote on motion No. 50 disposes of motions Nos. 40 and 51. The question will have to be put on motion No. 52.

The question is on motion No. 52.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 52.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 28 and 29 at page 73 and substituting the following therefor:

"the licence may be renewed by the minister for 1 year periods or such lesser periods as the minister may determine."

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 54.

Hon. Michael Wilson (for Mr. Blenkarn) moved:

Motion No. 54.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 76 by striking out lines 16 to 31 at page 74.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 55.

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 55.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 77

(*a*) by striking out lines 1 to 19 at page 75

(*b*) by striking out lines 14 and 15 at page 76 and substituting the following therefor:

"(6) Part IV of the schedule to the said act is repealed and the following sub-"

(*c*) by striking out lines 17 to 27 at page 76

(*d*) by striking out lines 6 to 8 at page 77 and substituting the following therefor:

"(7) Part IV of the schedule to the said act, as amended by subsection 77(6) of this act, is repealed and the following sub-"

(*e*) by striking out lines 10 to 23 at page 77.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

● (2110)

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motions Nos. 60 to 135 inclusive.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 60.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 78.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 61.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 78.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 62.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 79.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 63.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 79.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 64.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 80.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 65.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 80.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 66.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 81.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 67.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 81.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 68.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 82.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 69.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 82.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 70.

That Bill C-57 an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 83.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 71.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 83.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 72.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting clause 84.

Excise Tax

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 73.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 84.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 74.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 85.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 75.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 85.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 76.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 86.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 77.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 86.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 78.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 87.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 79.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 87.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 80.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 88.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 81.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 88.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 82.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 89.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 83.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 89.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 84.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 90.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 85.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 90.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 86.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 91.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 87.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 91.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 88.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 92.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 89.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 92.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 90.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 93.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 91.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 93.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 92.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 94.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 93.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 94.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 94.

That Bill C-57, an act to amend the Excise tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 95.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 95.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 95.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 96.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 96.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 97.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 96.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 98.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas be amended by deleting Clause 97.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 99.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 97.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 100.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 98.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 101.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 98.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 102.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 99.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 103.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 99.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 104.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 100.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 105.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 100.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 106.

That Bill C-57, an act to amend the Excise Tax Act and Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 101.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 107.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 101.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 108.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 102.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 109.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 102.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 110.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 103.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 111.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 103.

● (2120)

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 112.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 104.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 113.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 104.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 114.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 105.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 115.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended be deleting Clause 105.

Hon. Michael Wilson (Etobicoke Centre) moved:

Excise Tax

Motion No. 116.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 106.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 117.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 106.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 118.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 107.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 119.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 107.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 120.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 108.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 121.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 108.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 122.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect to petroleum and gas, be amended by deleting Clause 109.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 123.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 109.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 124.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 110.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 125.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 110.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 126.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 111.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 127.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 111.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 128.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 112.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 129.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 112.

Hon. Michael Wilson (Etobicoke Centre) moved:

Motion No. 130.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 113.

Mr. Bob Rae (for Mr. Waddell) moved:

Motion No. 131.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 113.

Motion No. 132.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 114.

Motion No. 133.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 115.

Motion No. 134.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 116.

Motion No. 135.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended by deleting Clause 117.

Mr. Deputy Speaker: All those in favour of the motions will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to agreement reached earlier the vote stands deferred.

The House will now proceed to the calling of the yeas and the nays on the deferred motions.

The first question is on motion No. 1 (Mr. Wilson). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 3 (Mr. Wilson).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 4 (Mr. Blenkarn).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Motion negatived on division.

Mr. Deputy Speaker: The next question is on motion No. 6 (Mr. Riis).

An affirmative vote on this motion will also dispose of motion No. 7; a negative vote will necessitate the question having to be put on motion No. 7. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Riis) which was negatived on the following division:

● (2130)

(*Division No. 66*)

YEAS

Messrs.

Andre	Greenaway	Mitchell (Mrs.)
Anguish	Gurbin	Mitges
Baker (Nepean-Carleton)	Halliday	Munro (Esquimalt-Saanich)
Beatty	Hamilton (Qu'Appelle-Moose Mountain)	Murta
Benjamin	Hargrave	Neil
Blaikie	Hawkes	Nickerson
Blenkarn	Hnatyshyn	Nielsen
Bosley	Hovdebo	Nowlan
Bradley	Howie	Nystrom
Cardiff	Huntington	Orlikow
Carney (Miss)	Ittinuar	Paproski
Clark (Yellowhead)	Jarvis	Parker
Clarke (Vancouver Quadra)	Jelinek	Patterson
Coates	Jewett (Miss)	Rae
Cook	Keeper	Reid (St. Catharines)
Cooper	Kempling	Riis
Corbett	Kilgour	Robinson (Burnaby)
Cossitt	King	Roche
Crombie	Knowles	Rose
Crosbie (St. John's West)	Korchinski	Sargeant
Crosby (Halifax West)	Kristiansen	Schellenberger
Dantzer	Kushner	Shields
Darling	Lambert	Siddon
Deans	Lawrence	Skelly
de Jong	Lewis	Speyer
Dinsdale	Lewycky	Stevens
Domm	MacDonald (Miss)	Stewart
Ellis	MacKay	Taylor
Elzinga	Malone	Thacker
Epp	Mayer	Thomson
Fennell	Mazankowski	Towers
Fraser	McCain	Vankoughnet
Fretz	McCuish	Waddell
Friesen	McDermid	Wenman
Fulton	McGrath	Wilson
Gamble	McKenzie	Wise
Gass	McKinnon	Wright
Gilchrist	McKnight	Young
	McLean	Yurko—117.
	McMillan	

NAYS

Messrs.

Allmand	Chrétien	Dupras
Appolloni (Mrs.)	Collenette	Duquet
Axworthy	Comtois	Erola (Mrs.)
Bachand	Corbin	Ethier
Baker (Gander-Twillingate)	Corriveau	Evans
Beauchamp-Niquet (Mrs.)	Côté (Mrs.)	Ferguson
Berger	Cousineau	Fisher
Bloomfield	Cullen	Fleming
Bockstael	Cyr	Flis
Bossy	Dawson	Foster
Breau	De Bané	Fox
Bujold	de Corneille	Francis
Burghardt	Demers	Frith
Bussières	Deniger	Garant
Caccia	Desmarais	Gauthier
Campbell (Miss) (South West Nova)	Dingwall	Gendron
Campbell (LaSalle)	Dion	Gimaïel
Campbell (Cardigan)	Dionne (Chicoutimi)	Gingras
	Dionne (Northumberland-Miramichi)	Gourd (Argenteuil-Papineau)
	Dubois	Gourde (Lévis)
	Duclos	Gray
	Dupont	Guilbault
		Harquail

Messrs.

Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—126.

● (2140)

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 7 (Mr. Blenkarn). Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 8.

All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on motion No. 8 (Mr. MacEachen) which was agreed to on the following division:

(*Division No. 67*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—125.

NAYS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae

Messrs.

Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—117.

Madam Speaker: I declare the motion carried.

Motion agreed to.

Madam Speaker: The next question is on motion No. 9 (Mr. Lambert). Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 11 (Mr. Blenkarn). An affirmative vote on this motion disposes of motions Nos. 12 and 13 and a negative vote disposes of motion No. 12 with the question having to be put on motion No. 13.

All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 13.

All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on motion No. 13 (Mr. MacEachen) which was agreed to on the following division:

Excise Tax

(Division No. 68)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—125.

NAYS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid

Messrs.

McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell
(Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

● (2150)

Madam Speaker: I declare the motion carried.

Motion agreed to.

Madam Speaker: The next question is on motion No. 14 (Mr. Riis).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 15 (Mr. Riis). An affirmative vote on this motion disposes motion No. 16. A negative vote requires the question be put on No. 16.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 16 (Mr. Blenkarn). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 17 (Mr. Riis). An affirmative vote on this motion disposes of motion No. 18. A negative vote requires the question to be put on motion No. 18.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 18 (Mr. Blenkarn). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 19 (Mr. Riis). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 20 (Mr. Riis). An affirmative motion on this motion disposes of motion No. 22. A negative vote necessitates the question having to be put on motion No. 22.

All those in favour of the motion please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 20 (Mr. Riis) which was negatived on the following division:

(Division No. 69)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—126.

• (2200)

Madam Speaker: I declare the motion lost.

Motion negatived.

Mr. Turner: Madam Speaker, I voted but I was not recorded.

Madam Speaker: The vote will be so recorded.

The next question is on motion No. 21 (Mr. Blenkarn).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The question is on motion No. 22 (Mr. Blenkarn).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The question is on motion No. 23 (Mr. MacEachen):

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Motion agreed to on division.

Madam Speaker: The question is on motion No. 24 (Mr. Riis). An affirmative vote on this motion disposes of motions Nos. 25 and 26. A negative vote requires the question to be put on motions Nos. 25 and 26 separately.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The question is on motion No. 25 (Mr. Blenkarn).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The question is on motion No. 26 (Mr. Blenkarn).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The question is on motion No. 27 (Mr. Blenkarn). The vote on this motion also disposes of motion No. 28.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 27 (Mr. Blenkarn) which was negatived on the following division:

(*Division No. 70*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—119.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher

Messrs.

Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—126.

● (2210)

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 29 (Mr. Riis).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 29 (Mr. Riis) which was negatived on the following division:

(*Division No. 71*)

YEAS

Messrs.

Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald
(Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell
(Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—119.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—126.

● (2220)

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 30 (Mr. Lambert).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 30 (Mr. Lambert) which was negatived on the following division:

(*Division No. 72*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—119.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—124.

● (2230)

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 31 (Mr. Riis).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 31 (Mr. Riis) which was negatived on the following division:

(*Division No. 73*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer

Messrs.

Darling	Keeper	Nickerson
Deans	Kempling	Nielsen
de Jong	Kilgour	Nowlan
Dick	King	Nystrom
Dinsdale	Knowles	Orlikow
Domm	Korchinski	Paproski
Ellis	Kristiansen	Parker
Elzinga	Kushner	Patterson
Epp	Lambert	Rae
Fennell	Lawrence	Reid
Forrestall	Lewis	(St. Catharines)
Fraser	Lewycky	Riis
Fretz	MacDonald	Robinson
Friesen	(Miss)	(Burnaby)
Fulton	MacKay	Roche
Gamble	Malone	Rose
Gass	Mayer	Sargeant
Gilchrist	Mazankowski	Schellenberger
Greenaway	McCain	Siddon
Gurbin	McCuish	Skelly
Halliday	McDermid	Speyer
Hamilton	McGrath	Stevens
(Qu'Appelle-Moose	McKenzie	Stewart
Mountain)	McKinnon	Taylor
Hargrave	McKnight	Thacker
Hawkes	McLean	Thomson
Hnatyshyn	McMillan	Towers
Hovdebo	Mitchell	Vankoughnet
Howie	(Mrs.)	Waddell
Huntington	Mitges	Wenman
Ittinuar	Munro	Wilson
Jarvis	(Esquimalt-Saanich)	Wise
Jelinek	Murta	Wright
Jewett (Miss)	Neil	Young
		Yurko—118.

NAYS

Messrs.

Allmand	Dion	Kelly
Appolioni	Dionne	Killens (Mrs.)
(Mrs.)	(Chicoutimi)	Lachance
Axworthy	Dionne	Lajoie
Bachand	(Northumberland-	Lalonde
Baker	Miramichi)	Lamontagne
(Gander-Twillingate)	Dubois	Landers
Beauchamp-Niquet	Dupont	Lang
(Mrs.)	Dupras	Laniel
Berger	Duquet	Lapierre
Blaker	Erola (Mrs.)	Lapointe
Bloomfield	Ethier	(Charlevoix)
Bockstael	Evans	Lapointe
Bossy	Ferguson	(Beauce)
Breau	Fisher	Lefebvre
Bujold	Fleming	Loiselle
Burghardt	Flis	Lonsdale
Bussières	Foster	MacBain
Caccia	Fox	Mackasey
Campbell	Francis	MacLellan
(Miss)	Frith	Malépart
(South West Nova)	Garant	Maltais
Campbell	Gauthier	Marceau
(LaSalle)	Gendron	Massé
Campbell	Gimaïel	Masters
(Cardigan)	Gingras	McCauley
Chrétien	Gourd	McRae
Collenette	(Argenteuil-Papineau)	Munro
Comtois	Gourde	(Hamilton East)
Corbin	(Lévis)	Nicholson
Corriveau	Gray	(Miss)
Côté (Mrs.)	Guilbault	Olivier
Cousineau	Harquail	Ostiguy
Cullen	Herbert	Parent
Cyr	Hervieux-Payette	Pelletier
Dawson	(Mrs.)	Pepin
De Bané	Hopkins	Peterson
de Corneille	Hudecki	Pinard
Demers	Irwin	Portelance
Deniger	Isabelle	Prud'homme
Desmarais	Joyal	Reid
Dingwall	Kaplan	(Kenora-Rainy River)
Roberts	Schroder	Trudeau
Robinson	Simmons	Turner
(Etobicoke-Lakeshore)	Smith	Veillette
Rossi	Stollery	Watson
Roy	Tessier	Weatherhead
Savard	Tousignant	Yanakis—125.

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 34 (Mr. Lambert).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Mr. Knowles: On division.

Motion No. 34 (Mr. Lambert) negatived on division.

Madam Speaker: The next question is on motion No. 36 (Mr. Wilson). An affirmative vote on this motion disposes of motions Nos. 39, 40, 41, 42 and 43. A negative vote also disposes of motions Nos. 40, 41, 42 and 43, with the question having to be put on motion No. 39.

All those in favour of motion No. 36 will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 36 (Mr. Wilson) which was negatived on the following division:

(*Division No. 74*)

YEAS

Messrs.

Andre	Cooper	Forrestall
Anguish	Corbett	Fraser
Baker	Crombie	Fretz
(Nepean-Carleton)	Crosbie	Friesen
Beatty	(St. John's West)	Fulton
Benjamin	Crosby	Gamble
Blaikie	(Halifax West)	Gass
Blenkarn	Dantzer	Gilchrist
Bosley	Darling	Greenaway
Bradley	Deans	Gurbin
Cardiff	de Jong	Halliday
Carney (Miss)	Dick	Hamilton
Clark	Dinsdale	(Qu'Appelle-Moose
(Yellowhead)	Domm	Mountain)
Clarke	Ellis	Hargrave
(Vancouver Quadra)	Elzinga	Hawkes
Coates	Epp	Hnatyshyn
Cook	Fennell	Hovdebo

Messrs.

Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaiel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—124.

Madam Speaker: I declare motions Nos. 36, 40, 41, 42 and 43 lost.

Motions negatived.

Madam Speaker: The next question is on motion No. 39 (Mr. Riis).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 39 (Mr. Riis) which was negatived on the following division:

● (2240)

(*Division No. 75*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant

Messrs.

Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—124.

● (2250)

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The next question is on motion No. 47 (Mr. Wilson). An affirmative vote on this motion requires the question to be put on motion No. 53, and a negative vote disposes of motion No. 53.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on motion No. 47 (Mr. Wilson) which was negatived on the following division:

(*Division No. 76*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—123.

● (2300)

Madam Speaker: I declare the motion lost.

Motion negatived.

Excise Tax

Madam Speaker: The next question is on motion No. 56 (Mr. Riis). An affirmative vote on this motion disposes of motions Nos. 57, 58 and 59. A negative vote on this motion disposes of motions Nos. 57 and 59 with the question having to be put on motion No. 58.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion negatived on division.

Madam Speaker: The next question is on motion No. 58 (Mr. MacEachen).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Motion agreed to on division.

Madam Speaker: The next question is on motions Nos. 60 to 135 inclusive.

The House divided on motions Nos. 60 to 135 inclusive (Messrs. Wilson and Waddell) which were negatived on the following division:

(*Division No. 77*)

YEAS

Messrs.

Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Lefebvre
Loiselle
Lonsdale
MacBain
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Yanakis—124.

Madam Speaker: I declare the motions lost.

Motions negatived.

● (2310)

[*Translation*]

Hon. Pierre Bussières (for Mr. MacEachen) moved that Bill C-57, to amend the Excise Tax Act and the Excise Act

and to provide for a revenue tax in respect of petroleum and gas, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

[*English*]

Madam Speaker: When shall the bill be read the third time, at the next sitting of the House?

Some hon. Members: Agreed.

Madam Speaker: It shall be read the third time at the next sitting of the House, pursuant to order made Tuesday, June 9, 1981.

It being after ten o'clock, the House stands adjourned until tomorrow at 11 a.m.

At 11.11 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 19, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

CALL FOR MINISTER TO VISIT RESTIGOUCHE RESERVE IN QUEBEC—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I am rising under the provisions of Standing Order 43 on a matter which is more than pressing and urgent; it is critical. Yesterday the Prime Minister (Mr. Trudeau) received the following telegram from Restigouche, Quebec:

An immediate intervention is requested to bring about a just solution in the problems facing the Indian people of the Restigouche reserve in the province of Quebec and their present jurisdictional dispute with the Premier of the Government of Quebec.

Furthermore, we request that you direct the Minister of Indian Affairs . . . to immediately visit the chief and band council of the Restigouche reserve and the other assembled Indian delegates from across the country.

The explosiveness of this situation at Restigouche is mounting by the minute. Just as I entered the chamber I was informed that another invasion of the reserve is imminent. I therefore move, seconded by the hon. member for Erie (Mr. Fretz):

That the Prime Minister immediately despatch the Minister of Indian Affairs and Northern Development to Restigouche in order to make every effort to settle the dispute before the situation becomes violent.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY TELEPHONE SERVICE—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I rise under the provisions of Standing Order 43. An Ottawa journalist, Frank Howard, reports the following conversation when he telephoned the headquarters of the New Democratic Party in Ottawa yesterday:

Me—Je voudrais parler avec M. Robin Sears.

NDP Woman—He's in a meeting.

Me—Pardon?

NDP Woman—He's not here.

Me—Je voudrais parler avec Robin Sears.

NDP Woman—Just a minute.

(At this point the line was cut and I was switched to a second person).

Second NDP Woman—What do you want?

Me—Je voudrais parler avec M. Sears.

Second NDP Woman—He's in a meeting! (louder)

Me—Pardon?

Madam Speaker: Order, please.

Mr. Kilgour: I am coming to the motion, Madam Speaker.

Madam Speaker: I am sure this kind of crank preamble cannot be allowed. Does the hon. member have a motion?

Mr. Kilgour: I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That the NDP consider engaging a bilingual telephone receptionist at its national headquarters.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BANKS AND BANKING

BANKS' PROFITS ON PROPERTY TAX COMPONENT OF MORTGAGE PAYMENTS—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that a policy of the chartered banks is to offer on home mortgages a maximum interest rate of 3 per cent on the property tax component of monthly home mortgage payments, compared with a 16 per cent plus interest rate offered on savings accounts, and in view of the fact that this policy not only blatantly discriminates against the home owner but also renders to the banks millions of dollars in excess profits, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House deplores this practice of the chartered banks which gouges the Canadian consumer and urges them to review their existing policy with the purpose of returning to the consumer of a home mortgage a rate of return on his dollar which is fair, rather than continuing a practice which serves only to increase their own profit margin at the direct expense of the home owner.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NAVIGATION

CLEARANCE OF HAZARDS FROM FRASER RIVER—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise on a matter of very urgent and pressing necessity, and I am sure my motion will have the unanimous support of the House. In light of the federal government's guarantee that a facility would be provided on the Fraser River for the removal of navigation and fishing hazards to replace the snag removal vessel the *Samson V*, in light of the government's total failure to provide such a service since the removal of the historic vessel from its duties last year, and in light of the hardships already faced by Fraser River fishermen due to federal fisheries department closures and fishing restrictions, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House instructs the Minister of Public Works to find a replacement facility immediately to take up the task of clearing the Fraser River for navigation and fishing.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

NATIONAL ENERGY PROGRAM

DEMONSTRATION OF SUPPORT FOR POLICY—MOTION UNDER S.O. 43

Mr. Gilbert Parent (Welland): Madam Speaker, I rise on a matter of urgent and pressing necessity. Whereas yesterday a prominent group of Canadians of all political persuasions, representing the Committee for the Canadianization of the Oil Industry, came to Ottawa to demonstrate support for the National Energy Program, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That this House commends the activities of this group and invites other Canadians to demonstrate their support for this vital national policy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

LEADER OF NEW DEMOCRATIC PARTY

MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. Canada is today faced with the worst economic conditions since the depression, adversely affecting all Canadians, in particular those on fixed incomes, small businessmen, farmers, and home owners. Yet the Leader of the NDP has abrogated his responsibilities as the elected representative of his constituency of Oshawa in order to deal one-sidedly with internal politics in El Salvador.

In view of the fact that the self-proclaimed central American expert has at every opportunity taken up the time of this House with matters of little interest or concern to his constituents, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Leader of the New Democratic Party be instructed to give up his seat in this House and seek a permanent position with Socialist International, a move that will be welcomed with open arms by his revolutionary friends in Cuba, and would allow his constituents in Oshawa the opportunity to elect someone who was interested in and able to represent their interests in Ottawa.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—RESPONSIBILITY OF GOVERNMENT—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise under the provisions of Standing Order 43. Given that the government's response to the urea formaldehyde foam insulation problem is nothing more than a $5 million public relations job which does nothing to alleviate the distress of the 100,000 Canadians who are affected, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Government of Canada own up to its legal and moral responsibilities and help those thousands of Canadians who trusted the government's advice and insulated with UFFI, and who now find themselves faced with either a threat to their families' health, or financial hardship.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN WHEAT BOARD

ANNOUNCEMENT OF INITIAL PRICES FOR 1981-82 CROP YEAR—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, since 1971 it has been the policy of the Canadian government to announce Wheat Board initial prices prior to seeding. This year Senator Hazen Argue, minister responsible for the Canadian Wheat Board, stated that there would not be an announcement of initial prices until seeding was completed. Seeding is now complete, and I therefore move under the provisions of Standing Order 43, by the hon. member for Bow River (Mr. Taylor):

That this House instruct the government to announce immediately the Wheat Board initial prices for the 1981-82 crop year so that grain producers may be in a better position to plan their financial affairs for the remainder of the 1981 growing season.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ADMINISTRATION

MINISTER OF THE ENVIRONMENT—MOTIONS UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43, and I hope I will be supported by my colleagues to the right here, although they obviously have other ideas about Standing Order 43. Yesterday the Minister of Energy, Mines and Resources (Mr. Lalonde) politically desecrated the Minister of the Environment (Mr. Roberts) by rejecting Progressive Conservative and NDP amendments designed to give to the Minister of the Environment administrative authority for environmental studies provided for in the government's Crown lands gas and oil development legislation, Bill C-48. I therefore move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That the Minister of the Environment resign from the cabinet since much of his authority has now been usurped by his colleague, the minister of energy, and thus he no longer has any real mandate either in the government or in this House.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday the Minister of Energy, Mines and Resources (Mr. Lalonde) politically desecrated the Minister of the Environment (Mr. Roberts)—

An hon. Member: It is the same motion.

Mr. McMillan: —by rejecting PC and NDP amendments designed to give to the Minister of the Environment administrative authority—

Some hon. Members: Order.

Mr. McMillan: —for environmental studies provided for in the government's Crown lands resource development legislation, Bill C-48.

Some hon. Members: Order, order.

Mr. McMillan: I therefore move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of the Environment resign from the cabinet since much of his authority has now been usurped by his colleague, the minister of energy, and thus he no longer has any real mandate either in the government or in this House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1115)

EXTERNAL AFFAIRS

AID TO GRENADA—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the "bleeding heart" of the Prime Minister (Mr. Trudeau), CIDA, provided Grenada's communist government with $475,000 to build a garage—its vehicles could not stand being out in the heat—but the same government will do nothing to protect Canadians who are being evicted from their homes into the cold because of exorbitant interest rates, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House reminds this Liberal government that charity begins at home and that Canadians of all colours are more important than "red" trucks.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

AIRPORTS

TORONTO—BAN ON LANDING OF LIGHT AIRCRAFT

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Transport. The Minister of Transport has done it again. After putting a $5 fee on light aircraft landing at metropolitan Toronto airport, he has now completely banned light aircraft for a further seven hours per day from landing at that airport. Is there any possible justification for that order, other than just keeping light craft out of the airport?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member should check with a number of his friends on the other side of the House and those on this side who complained about the noise at night in the area. This is the reason we tried to control the use of the airport during night hours.

REQUEST THAT MINISTER REVIEW SITUATION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, the minister should know that the hours being prohibited are daylight hours—in the morning and in the afternoon. Perhaps the minister is in the dark, but it really has nothing to do with aircraft flying in the dark. It is simply a matter of keeping them out of there during some fairly busy hours. I say "fairly busy", not exorbitantly busy hours. Perhaps the minister would take a moment to look into the situation to see if he could come up with another answer.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will in this particular instance but, generally speaking, general aviation at main airports in Canada presents a problem in terms of the maximum use of the airports by scheduled travellers. In every instance of which I am aware, be it in Vancouver, in Toronto or what not, there is an idea of rationalizing time in order to maximize the use of the airport by scheduled aircraft.

* * *

AVIATION SAFETY

TERMS OF REFERENCE OF ADVISORY COMMITTEE ON IMPLEMENTATION OF DUBIN REPORT

Hon. Don Mazankowski (Vegreville): Madam Speaker, my supplementary question is directed to the Minister of Transport. It arises out of the advisory committee the minister appointed for the implementation of the Dubin report. In the tabling of the terms of reference, it is quite clear that the minister established the committee for the purpose of advising only rather than implementation.

In view of the fact that ten aviation associations have taken serious objection to the process and to the terms of reference, is the minister not now prepared to amend the terms of reference to give a clear mandate to that committee to implement the major recommendations of the Dubin report, rather than simply to review the work of the Dubin inquiry and to advise the minister?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have said a number of times that the purpose of the advisory committee is to implement the Dubin report. However, I have said that 90 per cent to 95 per cent—I have used figures of this kind—of the Dubin report might be implemented in the legislation which I hope to introduce in the autumn.

On the subject of the air associations which came to see me approximately two weeks ago, I told them that I would see them again if we deviated substantially from the Dubin report. I will explain myself: if the legislation we prepare for the autumn deviates substantially from the Dubin report, I committed myself to see them again and to debate the subject extensively with them.

● (1120)

Mr. Mazankowski: Madam Speaker, since the minister's own terms of reference indicate that the committee is an advisory committee rather than an implementation committee, I think that the terms of reference clearly speak for themselves.

MEMBERSHIP OF COMMITTEE

Hon. Don Mazankowski (Vegreville): Madam Speaker, the other point which is in contention is the apparent conflict of interest of some of the members of the advisory committee. I bring to the attention of the minister one Bernard M. Deschênes, who is also perceived in the industry as having a conflict of interest inasmuch as he is a legal member of the Aircraft Accident Review Board, the very subject of which is part of the Dubin inquiry. Would the minister not reconsider the appointment of Bernard M. Deschênes along with those of other members of the committee who were, in fact, subjects of the investigation by Justice Dubin?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is a basic difficulty in the question. The Dubin report will not be implemented by the advisory committee. The report will be implemented by the government as a whole through the Minister of Transport. That is a fundamental truth which the hon. member neglects to take into consideration at this time.

I have created this advisory committee not to implement the Dubin report of its own capacity but to advise me, as Minister of Transport, and to advise the cabinet, how to implement the report. I think there is a basic misunderstanding in the question raised by the hon. member for Vegreville.

VIEWS OF GROUPS IN INDUSTRY

Hon. Don Mazankowski (Vegreville): Madam Speaker, it is very clear in the minds of those who represent the aviation industry that, first, they want the implementation team to be provided with clear terms of reference which should be directed solely toward the most expeditious and unqualified implementation of the Dubin Commission recommendations and, second, that the implementation team be given a proper balance by the inclusion of representatives from interested participants in the Dubin Commission. The minister has failed on both counts to satisfy the aviation industry. After all, they should be the experts in this matter since their views are represented in total by the spokesmen for the ten different organizations which have met with the minister on different occasions.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member is sufficiently experienced in these matters to know that the proper way to have implemented the Dubin report would have been to rely exclusively on the department. But because of the consideration that justice should be seen to be done—

Mr. Mazankowski: The department which is being investigated?

Mr. Pepin: —I have created the advisory committee, which is not the normal practice in these matters. The advisory committee is working extremely well and much faster than one could have even hoped. In the coming weeks I will be in a position to detail what part of the Dubin report we will be implementing in the legislation in the fall. The hon. member will be pleased by the work done by the advisory committee among whose members there is a pilot and a lawyer who is very experienced in these matters and who does not have a conflict of interest.

Mr. Mazankowski: What about Deschênes?

Mr. Pepin: He does not have a conflict of interest. He is in the business of advising on legal matters pertaining to the investigation of accidents and incidents.

* * *

CANADIAN BROADCASTING CORPORATION

EFFECT OF STRIKE—MINISTER'S MEETINGS WITH CBC PRESIDENT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is for the Minister of Communications. I hope that I can anticipate a more courteous reply than the one I received the last time I directed a question to him.

Some hon. Members: Oh, oh!

Mr. Rose: Madam Speaker, our $700 million broadcasting corporation is being crippled. Thousands of Canadians are being deprived of news and entertainment, especially those in northern Canada, because of an eight-month strike by Radio Canada journalists and a five-week management dispute between CBC and its NABET technicians. Surely this dispute cannot go on for ever. If it does the CBC could end up like the Toronto *Telegram* of the Montreal *Star*.

Is the minister currently meeting with CBC president Al Johnson, or has he met with him recently, in order to ensure that the CBC bargains in good faith so that the strike can be settled before the upcoming economic summit conference? If he has not been consulting with Mr. Johnson, can the minister tell us why not?

• (1125)

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I would like to be very courteous in my answer to the hon. member. The last time he asked me a question, the reply was "No." The next time, I will say, "No, thank you." Perhaps it will not hurt his feelings.

I would like to tell the hon. member that I have, indeed, been following the matter closely. I met with the president of the CBC this week and reviewed the CBC's position on the question of the strike. As the hon. member knows, there are about 22 or 23 bargaining units within the CBC. There are about 17 or 18 which have come to terms with the CBC during current contract negotiations. Just last week the CBC settled one of those important contract negotiations with the STRF, which is the French-speaking technicians' unit of the CBC. The French-speaking technicians accepted the offer which was negotiated with the CBC. We are all hopeful that the CBC will be able to come to terms with the English-speaking technicians as soon as possible.

POSSIBILITY OF UNION BUSTING

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, is the hon. minister aware that the issue is no longer one of simply independent production or increased Canadian content? NABET has given in on that. The CBC has half a loaf, and now it wants the whole loaf, including the use of in-house independents and the use of independents in jobs normally assigned to NABET technicians. What is likely to happen if this is allowed is that the best of NABET people will go independent, and the number of CBC technicians belonging to NABET will dwindle. This is really a question of union busting. I would like the minister to look into that part of it and discuss the matter thoroughly with President Johnson to see that President Johnson himself is, in fact, aware of it, and that it is not something which he does not know about and his negotiators are pushing.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I know that the hon. member has been very supportive of the CBC in the past, and I know that he is still most supportive of the CBC, in a general way. I have reviewed the matter with the president of CBC this week. He repeated to me that he has given guarantees to NABET that there would be no loss of jobs on the part of

NABET employees, and that the number of in-house hours of production would not be diminished. If the hon. member has other points he would like me to bring to the attention of the president of the CBC, I would be more than pleased to do so.

BROADCASTING OF SUMMIT CONFERENCE IN JULY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, turning back to the coverage of the July summit, the minister knows that only the CBC has enough technicians to act as host broadcaster. However, the minister should know that as host broadcaster contingency plans include the use of the CTV technicians, that strike-breaking is forbidden in the CTV-NABET contract, and also that the technicians and broadcasters and similar supportive unions from the U.S., British and European networks will support the CBC-NABET strike at the summit.

Since the Minister of Labour's own conciliator has already supported NABET's position on jurisdictional matters and has supported the NABET stand, will the minister use every reasonable means to achieve a fair and just settlement in the weeks to come?

Some hon. Members: Hear, hear!

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, obviously the role of the CBC is to negotiate with the union, and the chairman of the present CBC is, of course, interested in achieving a reasonable and just settlement for all parties concerned. It is quite obvious that all of us in this House and all the people in the country would like to see the strike settled as soon as possible. There are matters of importance at issue. Hopefully, as a result of the ongoing negotiations which I trust will proceed at a brisk pace, we will be able to have the strike settled before the summit is held.

* * *

AIRPORTS

FUTURE OF PICKERING PROJECT

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Transport. I hope I get some better answers from him than my colleagues have this morning.

Some hon. Members: Oh, oh!

Mr. Fennell: Madam Speaker, I have in my riding one of the great disasters of federal policies in this decade.

Some hon. Members: You are!

Mr. Fennell: No, no. The government has left a disaster of 18,000 acres.

Some hon. Members: Hear, hear!

Mr. Fennell: This has left the people in the riding in a state of anxiety. It is similar to T. S. Eliot's "Wasteland". The minister's predecessor, in four months, came up with a policy on that land. That is the Pickering—question mark—airport. This minister has had 16 months to do something about this. Would the minister please present to this House a long-term program of what he will do with the illconceived Pickering airport?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this will be done in the early days of next week.

• (1130)

LEASING OF EXPROPRIATED LAND

Mr. Scott Fennell (Ontario): Madam Speaker, we heard that around the middle of May. I should like to make a small suggestion in a brief supplementary question. Would the minister consider putting this land into long-term lease and encouraging young farmers—at least looking after part of the agricultural community—allowing them to lease this land and also putting the minds of all my constituents at ease?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is exactly the purpose of what I am going to announce next week. I do not know if I can put all the electors of the hon. member at peace because they may have other reasons to be troubled. As far as rental duration is concerned, however, they should be at peace next week.

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PENITENTIARIES

RIOTS IN BRITISH COLUMBIA INSTITUTIONS—REFERRAL TO STANDING COMMITTEE

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, my question is directed to the Solicitor General. In answer to my question in the House on June 8 the minister stated that he had no intention of referring the matter of the recent prison riots in B.C. which, I might say, now involves three institutions, to the Standing Committee on Justice and Legal Affairs. Outside the House on the same day, the minister apparently told the media that he was considering a reference to the committee. May I ask the minister if we can expect a reference in this particular matter in order to try to get to the root of the problem as far as the institutions are concerned?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not contemplating suggesting that the matter be referred to the justice committee. I do not as yet have the reports of the special inquiries that are being conducted into those three incidents. When I have the reports, I believe that the necessary action can be taken within the mandate that the Correctional Service of Canada already has. If issues of a policy nature arise of the sort that the justice committee might want to turn to, that would be a possible course of action. I really do

believe, however, that the recommendations that will be made by the special inquiry will fall within the present mandate of the Correctional Service of Canada.

REQUEST FOR RELOCATION OF MATSQUI INSTITUTION

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, I have a supplementary question. In view of the fact that the municipal councils of Abbotsford and Matsqui have unanimously voted to request that the Matsqui institution be moved out of the area and have indicated this by a telegram to the minister that is still awaiting a reply, can the minister advise the House if he will give careful and serious consideration to this particular request made by the councils of those two communities?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not prepared to consider moving those institutions. Wherever they are moved to, they remain, and the problems associated with them are problems that Canadians have to face up to and with which the Correctional Service has to deal. I do not see how we solve these problems of incarceration simply by moving an institution, at great expense, from one part of our country to another.

The approach I should like to take is to reduce, as much as possible, the risks to the surrounding community. I do not think that is achieved simply by picking up the problem of one community and making it the problem of another community.

* * *

PIPELINES

ALASKA GAS PIPELINE—FINANCING OF PROJECT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I should like to put a question to the Minister of Energy, Mines and Resources. One year ago today—I think it was on a quiet Friday—I asked the Minister, in fact I warned the minister not to approve the pre-build of the Alaska Gas Pipeline as there were not sufficient iron-clad guarantees in place for the financing of the whole line. Last night, one year later, there appeared the following headline in the Toronto *Star,* "Jittery Bankers Put Alaska Gas Pipeline in Jeopardy". So we are a year down the line and still no further ahead, in spite of the iron-clad guarantees.

What new scheme of iron-clad guarantees does the minister propose to bring forward so that we will have iron-clad assurances and guarantees that will finally get the whole pipeline built from Alaska and that we do not have a permanent pre-build pipeline that just sucks out Canadian gas?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the arrangements and assurances that Canada can provide have been provided under the treaty and under the implementation of the pre-build project. A lot of progress has been made in the last few months. The rest of the issue lands in the hands of the United States authorities, utilities, and producers concerned. A lot of progress has been made in this regard in the last couple of months. An agreement has been reached between the producers and the utilities in the United States as to the financing project and participation by producers in the project. This plan is being proposed now to the banking community and the financial community. Some requests have been or will be made to Congress to make adjustments to allow producers to participate in the project.

These are very encouraging developments. Obviously the financing of the project is still being debated and discussed. We will see how this evolves. There has been significant progress in the last few months. When the President of the United States was here a few months ago, he reiterated the commitment of the United States administration to completion of the project, which will be of great benefit to Canada.

Mr. Waddell: Madam Speaker, compared to what the minister told us last year, he just does not look credible on this issue at all. Perhaps I shall have to ask him the question a year from now.

NORMAN WELLS—NATIVE COMMUNITY INTERESTS

Mr. Ian Waddell (Vancouver-Kingsway): Let me ask the minister about another matter with respect to his credibility, Madam Speaker. Today he is meeting with representatives of native and northern people with respect to the Norman Wells Pipeline. In the government's bill on oil and gas in the north, Bill C-48, the minister specifically excludes Imperial Oil's $640 million expansion at Norman Wells. How is he going to tell the native people today that the bill is neutral toward their interests, as he has been telling the committee? What does he propose to tell them that will give them some iron-clad guarantees that there will not be this expansion right over their native land claims?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already had a meeting with representatives of the aboriginal peoples this morning and we reviewed this issue. As a matter of fact, as the hon. member knows, some of those representatives would like to suspend or avoid the application of Bill C-48 to themselves.

In effect, by amending Bill C-48 and making sure that Norman Wells does not come under it, we are answering, at least in part, some of their concerns, in that the Norman Wells situation would not be affected by Bill C-48. I explained that to them this morning. I said that the amendments that will be introduced to Bill C-48 will make it quite clear that, as far as the Canada Oil and Gas Act is concerned, Bill C-48 does not affect the agreement under which Norman Wells is operating. The people in the Western Arctic can be assured that nothing is changed by Bill C-48, concerning Norman Wells, at the present time.

Oral Questions

NATIONAL SECURITY

INFORMATION RELATING TO FRANK SALES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, yesterday outside the House the Solicitor General left the false impression that I have taken secret papers that I was not entitled to and not returned them when requested, in an untrue, crude attempt to divert attention from the real issue, that the government should be declassifying and releasing these old security cases so that everyone can understand the problems involved. My question, therefore, is for the Prime Minister who should have knowledge of this case because it first appeared in public print in Toronto newspapers in 1979, and has been repeated elsewhere since.

Could the Prime Minister inform the House why all of the information in the government's hands concerning an ex-Department of National Defence employee named Frank Sales, who now, I believe, lives in Victoria, B.C., who allegedly admitted giving Canadian secret information to the Soviets from both our Moscow embassy and our Tel Aviv embassy, who was never prosecuted but was later rewarded with a government pension—why all that information and all those files should not now be released in full?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I will look into the matter and see if I can make any statement on it to the House.

LEAK TO TORONTO STAR NEWSPAPER

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question, then, is to the Solicitor General, if the Prime Minister does not want to sully his hands with these matters.

Why would the Solicitor General go outside the House yesterday afternoon and make allegations that if I had any information whatsoever about what I called an "inspired leak" to the *Toronto Star* of two weeks ago, about certain allegations concerning ex-Ambassador Watkins, why I would not make those representations to him in private, give that information to him in private, when yesterday afternoon, five minutes before he went out to the press and said that, I did just exactly that in this House, in that corner of the House?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I was not referring to the subject we talked about in that corner of the House. I was referring to the fact that there are some materials missing from the records of the ministry and the RCMP. They were shown as having been given to the minister's suite, and there is no record that exists in our files showing them as having been returned.

● (1140)

I was not talking about documents that a minister either generates in his own office and puts "secret" on them or about those he receives from one of his colleagues. I was referring to official secret and top secret documents generated within the government. If the hon. member will simply indicate that he does not have such documents, or copies of such documents, that will be the end of it.

Mr. Trudeau: Go ahead.

EXPLANATION FOR MINISTER'S STATEMENT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, what I was referring to in my second supplementary question to the Solicitor General was an allegation that he made outside of the House yesterday, namely, that if I had information about what I called the inspired leak to the *Toronto Star* two weeks ago, which was published in the Friday and Saturday editions, that I should have the courage to tell him privately what that information was when he knew full well five minutes before he went outside of the House to say that I had given him exactly that information. What is the explanation for what I consider a very terrible breach of confidence on the part of the Solicitor General to that allegation?

Mr. Trudeau: Do you have the documents or not?

Mr. Clark: Have you sought them?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I invited the hon. member to make a statement on a very important matter touching secret and top secret documents. In so far as our discussion in the corner was concerned, he can make his statements about what took place. We did discuss that subject but I am not satisfied that we got to the bottom of it.

Mr. Clark: Have you sought them?

* * *

FITNESS AND AMATEUR SPORT

GOVERNMENT GRANT TO CANADIAN OLYMPIC ASSOCIATION

Mr. Jack Murta (Lisgar): Madam Speaker, my question is addressed to the parliamentary secretary to the minister responsible for fitness and amateur sport. Yesterday the government announced that the Canadian Olympic Association received some $1.2 million in compensation for losses resulting from the boycott of the 1980 Summer Olympics in Moscow. Could the parliamentary secretary indicate to the House how the $1.2 million was arrived at, if he has that information, and does that amount cover the so-called costs incurred by the Canadian Olympic Association?

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, the hon. member knows that the Canadian Olympic Association is in a unique position in that it chooses the athletes to go to the Olympics. Also, the Canadian Olympic Association voluntarily chose to carry out the boycott of the Olympic Games in 1980 on Canada's behalf.

As to the way the amount was arrived at, we calculated that the Canadian Olympic Association would have raised $1.2 million from private sources had the athletes been able to attend the Olympics, and the government, through this department, decided to compensate them for that. I might point out that in view of the fact the hon. member represents a farming community, this coincided with the $81 million that we provided to the farmers who suffered losses incurred by the situation in Afghanistan.

Mr. Murta: Madam Speaker, I hope the Canadian Olympic Association is more satisfied with the $1.2 million than the farmers are with the $81 million, because in effect the farmers are being shortchanged by some $20 million in terms of the amount of money they should have received.

Mr. Pepin: You said before that $72 million would be good enough.

DATE OF PAYMENT

Mr. Jack Murta (Lisgar): Madam Speaker, my supplementary question is also for the parliamentary secretary. Can he indicate when that money will be handed over to the Olympic committee? Could the parliamentary secretary also tell us what the $1.2 million will be used for?

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, we would hope that members of the Canadian Olympic Association will disburse this money to the athletes as they see fit, but it will surely go to the training of many of our athletes who are preparing now for the next Olympic Games. This money will be put into their hands in a matter of days.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR LEGISLATION TO COVER INTERPROVINCIAL WATERWAYS

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, my question is for the Minister of the Environment. When the Canada Water Act was passed in the early 1970s it was with the understanding that the act would cover environmental problems in the Ottawa River basin. But such measures have never materialized. The minister informed me recently that no such federal legislative authority gives his department jurisdiction over these interprovincial waterways.

Because of the great importance of the Ottawa River basin to both eastern Ontario and western Quebec, is it the intention of the Minister of the Environment to bring in legislation that will provide jurisdictional authority to enable the federal government to address environmental matters with relation to important interprovincial waterways such as the Ottawa River?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, we do have legislation under review and we are considering legislative initiatives to strengthen and clarify the mandate of the Department of the Environment. I would be happy to look at the very interesting suggestion which the hon. member has made as we undertake that review.

* * *

FITNESS AND AMATEUR SPORT

DECISION RESPECTING GRANT TO CANADIAN OLYMPIC ASSOCIATION

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the parliamentary secretary to the minister responsible for fitness and amateur sport. Can he advise the House who made the decision on the $1.2 million which is to be handed over to the Canadian Olympic Association?

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, in view of the fact that we did not have all the money we would have had had we had Loto Canada at our disposal—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Epp: Are you promoting gambling?

Mr. Parent: —the decision to give the $1.2 million to the Canadian Olympic Association was made by the minister in consultation with other members of the cabinet and his other advisers.

USE TO BE MADE OF GRANT

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I am surprised, and I say through you to the parliamentary secretary, and to the Prime Minister if he is listening, that here is a perfect example of giving $1.2 million to 12 or 14 people who will have cocktail parties across the country, and yet a mass participation, such as the Western Canada Games which is requesting $166,000, has been refused by this particular cabinet.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, I say to the hon. member that members of the Canadian Olympic Association are held in higher esteem by this side of the House than by either the hon. member or his party.

Some hon. Members: Hear, hear!

Mr. Parent: I would say that members of the Canadian Olympic Association have, through the years, served this country, and the athletes of Canada well, and I am sure they

will be able to use this money for Canadian athletes to better our already good performances, in future Olympics.

* * *

PARLIAMENTARY REFORM

ESTABLISHMENT OF COMMITTEE—GOVERNMENT POSITION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is for the Prime Minister. It concerns the Prime Minister's speech to the Liberal party in Manitoba. On June 3, 1981, in Winnipeg, he said:

> We've announced that a Parliamentary Committee will be established to study and make recommendations on how to make the Senate and House of Commons more effective—

No announcement has been made in the House of Commons that I am aware of. Is it the intention of the government to establish such a committee? Does the government have in mind a parliamentary task force in the sense that we have experienced task forces thus far?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the matter was announced as part of the government's program in the Speech from the Throne and I want to remind the hon. member of that. We intend to carry forth with that idea in the way it was expressed in the Speech from the Throne.

● (1150)

INTER-PARTY CONSULTATIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I thank the Prime Minister for that answer. This will involve the preparation of terms of reference for that task force or group, as well as representation. Could I have the undertaking of the Prime Minister that before terms of reference are placed on the Order Paper there will be an opportunity for consultation, with input from the opposition parties on those terms of reference, the composition, and number of members of Parliament who would be involved in such a task force?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would not want the hon. member to think that a task force is necessarily the way in which it would be set up, but I think his suggestion about previous consultation is a most excellent one, and I think it would correspond to the wishes of the government to make sure that any reforms of this House or in the other place should at least begin with a decision to consult on the scope of that work and the general orientation. I will make sure the hon. member is consulted as well as the House leader of the NDP about such a committee, either through the House leader on this side or directly by officials who will be working with the minister.

[*Translation*]

EXTERNAL AFFAIRS

INCARCERATION OF CANADIANS IN PERU—REQUEST FOR INQUIRY

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General.

As the minister knows, over 30 Canadians are being held prisoners in Peru. Many of them are still waiting for their trial after more than a year. A number of those prisoners have declared that they were interrogated and sometimes beaten up and mistreated by the Peruvian police in the presence of RCMP officers. Could the minister say precisely what is the policy of his department with respect to the role played by the RCMP during such interrogations by foreign police officers? Does the minister also intend to order an inquiry concerning the statements made by, in this specific case, Canadian prisoners in Peru?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I would say to the hon. member that I do not need an inquiry into this case because I have already questioned the Royal Canadian Mounted Police about this, and I can deny categorically that RCMP agents were present during the incidents described by the hon. member.

[*English*]

Mr. Robinson (Burnaby): Madam Speaker, I trust the minister will be prepared to release to the House the full details of these inquiries. A number of these same Canadian prisoners who are presently languishing in prison in Peru have stated they were approached by agents of the RCMP in Peru, after their arrest, and urged by them to sign prepared written confessions. Will the minister explain just exactly what the relationship is between the RCMP and local police forces in Bolivia, Chile and Peru, and specifically why the RCMP is apparently involved in attempting to extract written confessions from Canadian prisoners in Peru?

[*Translation*]

Mr. Kaplan: Madam Speaker, again I categorically deny that the RCMP have brought such pressures to bear on Canadians in Latin America. I should like to say to the hon. member, because I believe it is true, that the Royal Canadian Mounted Police co-operate in foreign countries with police officers of other countries to fight against drugs. That is being done mostly in Latin America which, generally speaking, we consider as a major source of the illegal drugs entering Canada.

[*English*]

COMMUNICATIONS

TELEVISION PROGRAMMING FOR CHILDREN

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, with advancing technology allowing the proliferation of channels, there is a danger of further decreasing the ratio of the few existing child-oriented TV programs. Would the Secretary of State and Minister of Communications voice the recommendations of the Commission of the Year of the Child that priority be given, if necessary, to creating a special channel on a national network to provide children with programs which would aid their education, expose them to new cultures, provide appropriate entertainment, and so fill a vacuum that exists in the broadcast spectrum relating to young people?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I think the hon. member's suggestion is an excellent one. I would like to tell him that there is a children's social programming service operating on some 15 cable systems at the present time. It is the Galaxy system which is a four-hour per day, seven-day a week service provided to the Canadian satellite network by the Ontario education and communications authorities. In February of this year the CRTC heard an application by CSN for a specialized channel which would have included Galaxy. This request was turned down because the CRTC felt there were a number of policy issues associated with that request that have to be examined further. However, in the denial the CRTC did encourage further applications along the lines of the Galaxy proposal.

* * *

INDIAN AFFAIRS

REQUEST THAT MINISTER VISIT RESTIGOUCHE RESERVE IN QUEBEC

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development relating to a motion under Standing Order 43 raised earlier by the hon. member for Cariboo-Chilcotin, having to do with a very difficult situation at the Restigouche Reserve.

The minister will know there has been a representation to the Prime Minister by at least the president of the Union of New Brunswick Indians, and probably other native groups, requesting that the minister visit the Restigouche Reserve. Would the minister indicate if he has any plans to visit, either personally, or have senior officials of his department visit the reserve today or this weekend? While he is answering I wonder whether he could also tell us if there were any members of the Royal Canadian Mounted Police involved in any way in the incidents that began last week at the Restigouche Reserve, and would he outline to us the extent of the federal presence now in monitoring the situation existing at that reserve?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, in answer to the Leader of the Opposition I would say that as of very, very recently the Quebec region of my department has been in touch with the Quebec government requesting in effect the adoption of a mediating role, and requesting that government to sit down with the Indian leadership at Restigouche to see if a solution can be worked out.

In a few minutes I will be meeting with Sykes Powderface of the NIB. He was endeavouring to see me this morning but I was tied up at another meeting. We will endeavour to see if there is anything further that I or my department might be able to do to resolve this really very unfortunate situation.

May I say as far as the RCMP are concerned that I have examined the situation. The RCMP were not directly involved. This was mainly an operation, as the Leader of the Opposition perhaps knows, of the QPP. There were some officers adopting a watchdog role, if you like. There were some RCMP officers on the fringes, so to speak, especially on the New Brunswick side, but as far as I am aware at the moment, they did not get involved directly.

* * *

NATIONAL SECURITY

COMPOSITION OF 1946 COMMITTEE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Solicitor General who has of late been interested in documents. He will know that as far back as 1945 and 1946 there was a committee set up by the then Privy Council to examine the problems arising out of the Gouzenko affair. I am wondering whether he is able to indicate the composition of that committee and whether it kept records of its meetings.

[*Translation*]

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I should like to take note of that question. I will answer at the earliest opportunity.

[*English*]

AVAILABILITY OF COMMITTEE'S RECORDS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, this was a committee of officials to advise the government of the day on matters arising out of the Gouzenko revelations. While the minister is doing that, I wonder if he would find out whether records of these meetings were kept and are intact, and why those records are not now available for public view?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I will try to answer that question, but I should take the occasion to point out that until recently there was no systematic recording system of documents within the Privy Council Office or of meetings at the level the hon. member suggests, so it may well

be that minutes were kept of the work of this committee which met back in 1946 and 1947, about which the hon. member is asking, with no record having been kept of the fact that there were minutes.

I will look and try to find the minutes. However, it will be very difficult to know whether minutes ever existed because of the way records were kept at that time. Nowadays if a document is there or not there, there is a record of its having been generated and of its being in existence. From what I have learned so far, there was no similar type of recording system back in the 1940s. I will do the best I can on that.

* * *

• (1200)

THE ECONOMY

RATES CHARGED FOR CONSUMER LOANS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to ask an economic question and direct it to the Minister of Finance. I welcome him back from the OECD. I want to speak to him about the policy of his government of tacitly accepting usurious interest rates.

I want to give an explanation. This morning I checked with chartered banks and consumer finance companies in Ottawa and found that the lending rate of the chartered banks now is about 22 per cent to their better customers and 21 per cent on fully secured loans, whereas the consumer finance companies lend money at 24 per cent. It appears that the government is involved in a policy at Avco and Household Finance interest rates but with nothing beneficial to consumers.

In view of the fact that the minister has approached the chartered banks with respect to home mortgage forbearance, I would like to ask him whether, with respect to the consumers of Canada, who are under great stress regarding repayment of loans at the present rates, he is prepared to intercede and use his good offices on their behalf as opposed to only on behalf of the mortgage holders of this country.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am glad the opposition has returned to a discussion of the economy. I wondered whether the hon. member would get to that today.

I am ready to tell the hon. member that the Canadian banks have already provided an assurance not only to assist mortgage holders—or at least to be considerate of their need of homes, in the present circumstances—but also to assist farmers and small business. These three groups were the subjects of my discussions with the chartered banks. I already have under consideration whether it is desirable to seek similar assurances from other institutions in the country, and I will therefore give consideration to the hon. member's suggestion.

Mr. Hnatyshyn: Madam Speaker, I appreciate the consideration the minister will give because there does not seem to be any possibility that interest rates will be going down for a very substantial period of time.

POSITION OF MINISTER OF INDUSTRY, TRADE AND COMMERCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to direct my supplementary question to the Minister of Industry, Trade and Commerce who is involved very intimately with the economic development committee of the cabinet and who should be one of the leading spokesmen with respect to policy in this country.

I want to quote a statement made by the minister on October 23, 1979, in the House of Commons. The quotation is to be found at page 510 of *Hansard*. The minister said, and I quote:

> —government bear the responsibility for the damage these interest rate increases are doing and will do to the economy, particularly to small business, the farmer and the consumer.

The minister has now been in his portfolio for a year and a half. He told Morton Shulman that any time interest rates went over 14 per cent he would resign. Has the minister put forward any policies with respect to reducing interest rates, or is the minister now going to resign after not being able to have any weight at all?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not think my hon. friend has correctly stated what transpired in the interview in question. In any event, there was a considerable period after this government came to office when interest rates declined and when they remained behind those in the United States. In addition to that this government has taken substantial action on this issue, and I make particular reference to the extension of the small business development bond program.

Finally, when the Canadian people look at the damage which was done to the economy and would have been done to the economy if my hon. friends had stayed in office, I think they will be very pleased to see the continuation of the present government compared with the mess on the other side of the House.

Some hon. Members: Hear, hear!

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a point of order. I would like to advise the parliamentary secretary that fitness and amateur sport is receiving $32 million from lotteries this year—

Some hon. Members: Order.

Madam Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. HUDECKI—SOCIAL INJUSTICES IN EL SALVADOR

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the fifty-third report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Hamilton West (Mr. Hudecki) and finds that it meets the requirements of the Standing Orders as to form.

* * *

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Tenth report of the Standing Committee on Finance, Trade and Economic Affairs—Mr. Cullen.

[*Editor's note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,171, 2,220, 2,305 and 2,306.

[*Text*]

TRADE COMMISSIONERS

Question No. 2,171—**Mr. Herbert:**

1. Are any trade delegates in the employ of the Department of Industry, Trade and Commerce and, if so (a) how many (b) how many are based in Canada and which countries did they visit in the last year?

2. Are Canadian businessmen invited to join the delegates when they travel and, if so, what means are employed to ensure appropriate knowledge of such trips?

Hon. Ed Lumley (Minister of State (Trade)): In so far as the Department of Industry, Trade and Commerce is concerned:

1. Yes.

(a) Two hundred and twenty-nine trade commissioners and 166 commercial officers posted in 67 countries.

(b) In addition, 81 trade commissioners presently posted in Canada, many of whom will have travelled outside of Canada including 67 countries where we maintain posts.

2. Canadian businessmen frequently visit foreign markets with the support of the Department of Industry, Trade and Commerce under various programs for participation in fairs, missions and export market studies. When participating in fairs and missions, they are usually accompanied by representatives of the department. In all cases, our officers at the posts provide assistance. Businessmen are informed of the various programs in which they can participate through contact with the department's regional offices and business information centres across the country and branches in Ottawa, contact with provincial trade and industry departments, and direct advertising.

CBC—PROGRESSIVE CONSERVATIVE ANNUAL MEETING

Question No. 2,220—**Mr. Cossitt:**

1. (a) Did a CBC employee identify himself as a member of the staff of CBC Radio and approach a delegate or alternate from Leeds-Grenville at the recent Progressive Conservative annual meeting and inform the person that he looked unhappy and did he ask him why (b) did the delegate or alternate reply that he was very happy and did the CBC employee state to the delegate or alternate "Don't you think this is the worst organized convention you have ever seen?" (c) did the delegate or alternate advise the CBC employee that he disagreed with him entirely and, following this statement, did the CBC employee express disgust and depart elsewhere?

2. Is it the policy of CBC to instruct or to allow employees to ask questions designed to provoke statements from members of other political parties that would damage such parties and, if so, what are all the reasons?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

I am informed by the Canadian Broadcasting Corporation as follows:

1. The CBC has no way of identifying which, if any, of its employees had the conversation cited in the question.

2. If the conversation quoted in part 1 of the question did take place, the CBC would not condone the expression of a personal opinion of that kind by one of its on-duty employees. However, in the context of an interview, it is in the nature of interviewing for broadcast or print that a reporter will try to elicit as much information as he can from his interviewee, and in the course of such interviews it is possible that the interviewee will volunteer statements that others might consider damaging to their cause or group. In this latter context, CBC news policy would not be contravened.

CBC—MR. MARK STAROWICZ

Question No. 2,305—**Mr. Cossitt:**

1. Is Mr. Mark Starowicz employed by the Canadian Broadcasting Corporation and, if so (a) what is his position (b) does he have any control or authority of any kind over the content of CBC national news broadcasts or telecasts and, if so, what are the details (c) has he ever received security clearance and, if so (i) what are the details (ii) by whom was the clearance given (d) at any time was his security clearance in question and, if so, what are all the details?

2. (a) Did Mr. Al Johnson, president of the CBC, play any part in the appointment of Mr. Starowicz to his present position and, if so, what are the details (b) what are the names of all persons who were involved in this appointment?

Order Paper Questions

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes.

(a) Executive producer, TV Current Affairs.

(b) Mark Starowicz is involved with the development of the new program which will follow "The National" after its move to 10 p.m. in September, 1981. He is not connected with newscasts.

(c) Not applicable.

2. It has not been customary to require the CBC to provide such details of its internal management and administration as those referred to in the question. The background to this custom is explained in the answer to question No. 2,530, November 6, 1975.

CBC—PARLIAMENTARY LIAISON OFFICER

Question No. 2,306—**Mr. Cossitt:**

1. Does the CBC maintain a parliamentary liaison officer in Ottawa and, if so, what is the (a) person's name (b) annual salary and all costs involved with maintaining this officer?

2. With reference to the answers to various Order Paper questions concerning the CBC which include the phrase "It has not been customary to require the Canadian Broadcasting Corporation to provide such details of its internal management and administration . . .", for what reason does the CBC maintain a parliamentary liaison officer if it is not prepared to make full disclosure of its operations to Parliament?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

I am informed by the Canadian Broadcasting Corporation as follows:

1. (a) The CBC maintains a parliamentary services section whose members co-ordinate the CBC's day-to-day relationship with Parliament.

(b) With regard to salaries and costs, see the reply to parts (a) and (b) of question No. 2,530, November 6, 1975.

2. The CBC does disclose information about its operations, with the exception of certain categories of information relating to its internal management and administration. See the reply to parts (a) and (b) of question No. 2,530, November 6, 1975.

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Deputy Prime Minister and Minister of Finance) moved that Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be read the third time and do pass.

Mr. Knowles: Is there no minister to speak on this bill?

Mr. Collenette: Madam Speaker, I rise on a point of order. There was an arrangement whereby the hon. member for Edmonton West (Mr. Lambert) would be the lead speaker followed by someone from the New Democratic Party, and the Parliamentary Secretary to the Minister of Finance (Mr. Evans) would be here this afternoon to respond on behalf of the government.

Mr. Baker (Nepean-Carleton): That is right.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I wish to confirm what has been told to us by the parliamentary secretary to the government House leader. The minister has excused himself. He is unavoidably absent today because he is on other business. The parliamentary secretary will be responding for the government at this stage.

We are at the last stage of a very infamous and, I would say, contemptuous move by this government regarding this particular bill. On the initial debate we had about half a day on a Friday so that the bill could get into committee, with the understanding that there would be witnesses and a full examination, but there was a deadline. More witnesses appeared than had been forecast.

The net result was that the committee had very little negotiating and discussing of the proposed amendments, as we did with respect to many other important bills. The deadline resulted in almost a guillotine falling on the amendments to the clauses as they were considered in the committee. I am not faulting the chairman of the committee in any way. It was just a matter of logistics. There was no time to put or consider any amendments in the committee. There was no time for negotiating any amendments or developing negotiating positions with regard to some very contentious matters contained in this bill.

• (1210)

The net result is that the government shut its eyes to almost all questions of amendment except with regard to a ceiling on advertising in newspapers and inserts. However, that was a minor point, albeit very important to the weekly newspapers. There was very little else of any consequence. It dealt a little with distributors of cosmetic products, shifted the incidence of the excise tax, but for the rest of it the government's reaction has been entirely negative. Therefore, by mutual consent it would almost appear, the New Democratic Party and ourselves

filed some 135 amendments, many of them duplicates, as provided for by the rules. The Chair reduced this number to 49 possible amendments for a vote, but realistically 35 votes.

In the interest of sanity with regard to voting, it was agreed that an effort would be made to concentrate votes on the more important amendments. As a result, last night we had 12 votes. The House does not often vote that long but 12 votes plus a number of verbal votes in just over two hours is a pretty good record. If hon. members feel they were abused in any way last night, I would remind them that when the Income Tax Act was amended in 1970 we voted from eight o'clock in the evening until 2.30 in the morning in order to get through a much more voluminous act. Those things happen from time to time.

Having finished that anecdotal background I want to reiterate that we are today in the closing stages of a black chapter as far as discussion of very important matters is concerned. The government had no business introducing closure under Standing Order 75C as it did. We had only discussed the report stage in a general way for two ordinary days and one short day. Now we are coming down to discussing individual amendments. Somehow somebody, maybe the government House leader—in his usual precipitate way he likes to see debates of one day for any and all bills, with one speaker from each party; that has been his predilection from the time he landed in this House—but somebody panicked over there. We would have made essentially the same type of progress but with an opportunity to discuss a matter which is before the courts this week, that is the legality of the petroleum and gas revenue tax and whether it is a direct infringement upon provincially-owned property. We would have been able to explore in much greater detail the implications of the 30 cents a thousand cubic feet excise tax on natural gas, including export gas.

The government does not get away with the sham of saying: "Oh, no, we are not putting on an export tax on natural gas". They put it on for everybody. And for those unreconstructed Liberals and undeluded Canadians bemused and befuddled by the government's programs during the 1980 election, with their so-called Canadian price and attacks on the 18-cent excise tax proposed by the hon. member for St. John's West (Mr. Crosbie) when he was minister of finance, that tax did not apply to home heating fuel, including natural gas. There was a refundable portion for farmers.

We have heard the tripe which has come forward from the government benches in that regard. Deliberate misrepresentation, Mr. Speaker, in and out of this House. The refunds due to fishermen: again, misrepresentation in and out of this House. There was the total refusal to refer to the rebate for lower income families, including all those senior citizens who moaned on television: "Oh, I will not be able to go and see my children or grandchildren any more". Nonsense! This bill imposes a tax of 30 cents a thousand cubic feet on natural gas, an 8 per cent tax on revenues from both petroleum and natural gas, and the indexing of a tax on liquor, wine, beer and tobacco which is a self-generating snowball that shows the government's vested interest in increasing inflation.

That is the record and the policy of this government with regard to the public and petroleum prices. Not only has there been an increase in the cost of a gallon of gasoline of 60 cents in a very short time, far in excess of what had been proposed—

Mr. Kelly: Wrong, wrong.

Mr. Lambert: —but more increases are coming.

Mr. Kelly: You are wrong.

Mr. Lambert: The hon. member for Willowdale (Mr. Peterson), who is not in his seat, is hollering.

An hon. Member: That is Scarborough Centre (Mr. Kelly).

Mr. Lambert: On the prices we are totally right. They are far in excess of what anyone ever anticipated and are the result of the excesses of this government.

We have a so-called Canadianization contribution of $1 a barrel to change Petrofina to Petro-Canada. Now we see who is going to line their pockets and who have lined their pockets with this deal, which has not produced one additional barrel of petroleum for Canada. This has caused tremendous equity losses by Canadian oil companies and the Canadian oil industry at large. The neophytes and the socialistic bureaucrats in Ottawa are behind the program on the grab on funds. They have an absolute desire and passion to control the petroleum industry and resources of Canada, notwithstanding the fact that aside from the expropriation of the Canada lands, the federal government does not have one iota of interest in those natural resources.

• (1220)

We are being asked, without any debate yesterday, about the petroleum and gas revenue tax and how it will affect the development of the Canadian industry. It is a straightforward revenue grab. If we look at the amount of money which has fallen into the federal coffers since December, 1979, if we look at the percentage of every dollar obtained from the price of a barrel of Canadian crude and from an equivalent measure of natural gas, we will see who has benefited from the increases in prices. It is not the petroleum companies; it is not the producing provinces. It is the Government of Canada that has discovered a herd of well-producing milk cows to which it wants to attach every teat and every grip it can to cover its ineptitudes in other programs, such as the idiotic continuation of depending upon foreign oil and paying subsidies of billions of dollars per year, which will increase.

There is stabilization now because the price has not risen, but the government is paying for junk from Mexico. Canadian refineries are refusing to accept it. I am not able to describe it because it is not polite to use such language in the House. It is being sloughed off on the Canadian government. It is the same situation as in 1973 when the former minister of supply and services, Mr. Goyer, paid $33 for some spot oil in some panic

buying. The stuff had been going around the world for a long time because of its high sulphur content. No one would buy it, except the ducks and drakes in the Canadian government. Eventually it was sloughed off at a tremendous loss to Canadian taxpayers.

These are the same people who are now buying from Mexico and trying to shove it down the throats of Canadian refiners who are saying, "No thanks, it is not fit to be refined". This is the way the brains of the Department of Energy, Mines and Resources run the Canadian oil industry. They should know better. They cannot tell the difference between one grade and another at the pump, yet they want to control the Canadian petroleum industry. They want to fatten up Petro-Canada.

Petro-Canada has distinguished itself by the number of employees it has handled and by participating in the race to see who will have the highest building in Calgary. This race is at a cost of millions and millions of dollars, all to be paid for by you-know-who—the poor Canadian taxpayer. It will be well over $50 million for an office tower at the same time as $1.46 billion for Petrofina, which is at least half a billion too much.

Members opposite are handling government funds, and there is no control. The poor people of central Canada bought themselves a real pickle when they bought that deal. To think that the government of Ontario lines up behind it. What a miserable delusion! Boy, they will really have to skate to get out of that mess!

I do not want to review everything in this bill; some of my colleagues will deal with particular subjects.

[*Translation*]

I would like to see this morning all the members from Quebec call the editors of their weekly newspapers to justify their vote on amendment No. 20 last night. These editors are having a convention, and they know what they had suggested to the government. Some of them have privately opposed the provisions of Bill C-57 concerning newspapers and advertising content. Well, we supported, yesterday evening, amendment No. 20 of the New Democratic Party, because it was nearly identical with our own.

We had shared the amendments among us, and naturally, the members opposite voted in their usual sheep-like manner without asking themselves what they were doing, but now they will see what will happen. The hon. member for Willowdale. (Mr. Peterson) should be interested in the use of alcohol as fuel and the possibility of experimenting with alcohol manufactured from vegetable products without having to provide a security of $5,000 or $25,000, as well as temporary licenses which can be withdrawn. Under the terms of its program, the government seems to be afraid of stills and the possibility that they could be used to manufacture spirits rather than alcohol to be used as fuel. Frankly, Mr. Speaker, the government will encourage the illicit manufacture of spirits for drinking purposes if it continues to increase its taxes in this way! We shall also see tobacco and cigarette smuggling like there was after the war when an excessive tax was levied on tobacco. There is some smuggling going on. It begins to be interesting when you see what it costs in the liquor stores. Of course, provincial governments follow suit. Then, in a year or so they will wonder why they have problems apart from illicit stills and tobacco and cigarette smuggling. No, Mr. Speaker, this is an effort on the part of the government to squeeze out every available penny. There is an increase in the airport tax. There are tax increases everywhere in this bill. But hon. members opposite do not protest. Nothing is said over there to oppose excise tax increases provided in Bill C-57.

• (1230)

[*English*]

It is amazing how the Canadian public has become inured to the idea of indexation of taxes. In the question of this additional tax on alcohol and tobacco the Minister of Finance is taking a mere $60 million. Has there been one word of protest from the Canadian public? No. I suppose they are too busy consuming it. It is amazing.

The administration says that it needs the money. Why? Because it has put in place programs and money is needed to carry them out. Who on earth says you put programs in place first and then scramble about to get more money? You spend money when you have it, not before. It is like "Travel now and pay later". Or it is like "Gamble now and pay later". If you tell the public the hard facts of life, as my colleague from Newfoundland did when he was minister of finance, people object. They have been lulled into living in a clouded cuckoo-land, the land of the lotus-eater, if you want to use another metaphor. They have been lulled by the bread and circuses put forward by the administration since 1968. All we get is more bread and more circuses.

What do hon. members think a subsidy on fuel oil and gasoline is? It is a straight giveaway. It is jam an inch thick. We are the only people who have increased our consumption of gasoline and oil. Our cousins to the south, who are much more mechanized than we are and who we thought were more profligate with gas and oil, have reduced their consumption by 20 per cent. Instead of our doing that we buy their Cadillacs and big cars and see how quickly we can burn the rubber. They are muscle cars. Every young guy and woman wants to have a Corvette or a Trans-Am. Why shouldn't they? They are encouraged by subsidized gasoline prices. It is too much to pay 18 cents a gallon more so you eliminate the subsidy as far as our general revenues are concerned. But since that subsidy has been put in place we have paid well over $20 billion as a charge on the public purse. How was the first part achieved? By placing an export tax on oil and petroleum products shipped from Alberta and Saskatchewan to the United States.

In the mid-1970s it was interesting to see the government taking with one hand and giving with the other. It took money from the Canadian petroleum industry and the producing provinces and gave it to the OPEC countries. If man could devise a more witless policy I would like to see him try. We are now paying for that and this is why it is relevant to this bill.

These are the programs for which the government says it needs more money. It almost makes you want to break down and cry when you see the mismanagement, the misrepresentation and the befuddlement of the Canadian public and the fact that they stand by and clap. They do not know when the knife has gone into their backs or when the purse has been cut from under their arm by this government. This bill is a perfect embodiment of fulfilling that type of program. There will be billions of dollars spent per annum as a result of this bill. Who will pay? The dear old unsuspecting Canadian public who have been befuddled, beguiled and lied to.

Therefore, I move, seconded by the hon. member for Edmonton South (Mr. Roche):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-57, an Act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and natural gas, be not now read a third time but be referred back to the Standing Committee on Finance, Trade and Economic Affairs for the reconsideration of Sections 43 to 47 inclusive and Sections 60 to 117 inclusive respecting the excise tax on natural gas and the petroleum and gas revenue tax, for possible amendment and report back to this House.

● (1240)

I do not want to take any further time because unfortunately there is a guillotine which falls at five o'clock. Is it private members' hour today?

Mr. Nystrom: Yes.

Mr. Lambert: They even steal that, under the guillotine. Therefore, under those circumstances I will curtail my remarks immediately. I trust that hon. members will pay attention to those areas which were not debated hitherto in this House, and that they should be persuaded as to our amendment, because that part of it certainly requires another good, long look.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am quite pleased to have the opportunity this afternoon to rise to discuss the points included within Bill C-57. Unfortunately, it is for the last time. I must say that I will be looking forward with a great deal of pleasure to the response of the Parliamentary Secretary to Deputy Prime Minister and Minister of Finance (Mr. Evans) later this afternoon as he replies to the points raised by the previous hon. member and myself.

First of all, I want to indicate that this bill is clearly the work of a very desperate government, a government which is desperate to acquire additional funds from just about any source possible. One is hesitant to walk slowly about Parliament Hill this day for fear that a tax will be slapped on one's back in some way or another. However, it is certainly the reflection of an insensitive government and a government which is inconsiderate to the point of arrogance.

When I say that the government is insensitive, it must be recognized that we have been discussing 135 amendments over the last number of days. I think it begs the question, why would anyone feel motivated to put 135 amendments before the House I think the short response to that inquiry would clearly indicate that this has been an ill-conceived piece of legislation, that adequate thought, discussion and reflection did not go into the preparation of this bill. It is a sloppy bill. It is a careless bill. It is really a bureaucratic statement reflecting the vocabulary, and the views of a heartless bureaucracy.

When one looks at the terms which have been used in the last number of days in discussing Bill C-57, one notices that a great deal of the critical vocabulary lacks a human element. The humanity of Bill C-57 has not really been considered. We use terms such as "excise tax," "PGRTs", "CPIs", "marginal manufacturing tax," "indexation" and so on. But how often do we ask ourselves, how will this bill impact on Canadian individuals, on Canadians per se?

At the outset, I want to congratulate the chairman of the finance committee, who saw fit to invite a whole number of witnesses to the committee to discuss and react to the proposals set forth in Bill C-57. In the committee we held 23 different sittings and listened to briefs from the city of Medicine Hat, from the Hobbema Four Indian Band, from the Canadian daily newspaper publishers, the Independent Petroleum Association of Canada, the Brewers Association of Canada, Dome Petroleum and many more. We also received countless written briefs indicating the concerns of individual Canadians and different organizations as to the proposals encompassed in Bill C-57.

What did we do with all of these witnesses? How did the government react to their concerns and proposals? I might add that these were not individuals or organizations or agencies attempting to avoid legitimate tax. These were voices from Canadian society, coming forward in the finance committee to say "This is an error. Have you considered the ramifications of this particular legislation?" Indeed, it became clear in those discussions that we had not, and that the government per se had overlooked a number of critical areas.

Therefore, the 135 amendments were an effort on behalf of the Progressive Conservative Party and the New Democratic Party to meet the concerns of and react to the issues raised by these countless individuals, organizations and agencies before the finance committee. They reflect the concerns of the oil and gas industry. The small business communities spoke out loudly about their concerns regarding the marginal manufacturing tax. The educational and scientific communities spoke out regarding their concerns on the importation of research facilities and appliances. The small independent newspapers of Canada spoke out regarding a number of their concerns relating to Bill C-57, as did the handicapped of Canada, the artistic community in Canada, the construction industry of Canada, wineries, distilleries, breweries and many more.

It is unfortunate that we have had to use this particular procedure to bring to the attention of Canadians the fact that this is an ill-conceived bill. It will be a slap in the face to many Canadian individuals and groups. I cannot believe for a moment that Bill C-57 was discussed in the Liberal caucus. I cannot for a moment believe that there was a thorough airing of Bill C-57 with Liberal backbenchers, and even within the Liberal cabinet, because if there had been, how could the

members of the Liberal party impose a 9 per cent sales tax on the disabled people of Canada, those hundreds of thousands of Canadians who fight for their lives every day of the year and who experience discrimination in a variety of ways? Yet here is a gesture from a government which is obviously insensitive to disabled Canadians.

Why do I say that? Recently, the government decided to pay some attention to the disabled of Canada. This is the International Year of the Disabled and the government has set aside $1 million to assist disabled Canadians across Canada. One million dollars were to be distributed to the disabled of Canada. The provinces responded as well. Does Your Honour know where the leadership came from? It came from the provinces, not from the federal Government of Canada. In the province of British Columbia alone there have been requests from the disabled of that province in excess of $12 million. The federal government saw fit to spread $1 million across the entire country. Surely, the federal government could have indicated its concern for the disabled of Canada in this very special year by at least matching the grants of the individual provinces which are prepared to contribute. Yet a paltry $1 million is to be spread across nearly 25 million Canadians to assist and recognize the plight of the disabled.

An hon. Member: Where is the tax on the disabled?

Mr. Riis: The tax on the disabled is what I want to refer to in this bill. This bill says that if someone has a leg brace on one's ankle or foot, or if one has a deformed or malfunctioning ankle or foot, one is not subject to the 9 per cent sales tax on that brace. But if you require a brace anywhere else on your body, the neck, back, thigh, elbow, knee, you are going to pay a 9 per cent sales tax. You will be taxed on what the government presumably considers a luxury item.

• (1250)

Mr. Speaker, the disabled of Canada wear braces on their necks, backs, elbows and so on, and they do not consider them luxury items. What is the difference between an ankle brace and a hip brace? Yet the goverment intends to impose a 9 per cent tax on braces other than for the foot or ankle. That is meaningless and silly, Mr. Speaker. It is obviously an oversight in the legislation but it was brought to the attention of the minister by both parties on this side of the House. It is obviously a clerical error. In this Year of the Disabled, surely such an oversight could be corrected.

The Liberal party voted against that amendment, however, and I know the reason was that they did not know what they were voting on. Surely hon. members opposite should not vote against an amendment designed to treat fairly people who have disabilities in a part of the body other than the ankle. Yet they did, Mr. Speaker, and that is why I say this is a sloppy piece of legislation. Hon. members opposite have not considered the implications of it carefully enough or perhaps not at all.

I will give another example which is perhaps a little less problematic when one considers the disabled. I refer to the artists of Canada. I am sure that as a regular part of our lives all of us visit art galleries and are concerned about supporting and assisting the art community of Canada. Just the other day the hon. member for Bow River (Mr. Taylor) said in the House that it is important that we encourage the artistic community in Canada and my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), also said that we should be seriously encouraging this community.

It is recognized internationally that works of art should not be taxed, that the artist who creates a sculpture or paints a picture should not be taxed on that item, in an effort to encourage that kind of talent and creativity. It is the kind of thing that will reflect Canada's present past and future and we want to support it.

With this legislation the government will tax artists in Canada who create original prints, such as members of the Eskimo Co-operatives in northern Canada whose prints are considered highly valuable works of art around the world. They are not posters such as are found in Canadian Tire stores or Woolworth's, with pictures of fancy ladies or Elvis Presley or Superman. There is a difference between a Superman poster and an original artist's print, surely. We tax the Elvis Presley and Superman posters, and we should because they are manufactured by the hundreds of thousands. They are not the creation of a particular artist. An artist produces perhaps 20 or 50 prints from his original and the work is supervised by him. Now the government proposes to tax the original print and thus it would not be considered an art form in Canada.

Hon. members opposite voted against an amendment that would exempt the original print, recognizing it, as all other countries do, as a work of art which should not be taxed. The Liberal caucus voted unanimously to tax the artists of Canada who produce original prints. Hon. members opposite smile. It is beyond me, Mr. Speaker, how anyone could consider an original print as a mechanical reproduction and thus taxable. It is a reflection of the carelessness with which the bill has been approached by members opposite and of the insensitivity of the government to the people. It affects thousands of struggling artists. There are very few rich artists in Canada today; they commit themselves and their lives to their profession. Surely we should recognize them and encourage them.

I want to deal now with a matter that is very close to members of this party, Mr. Speaker, and that is the small community newspapers that really reflect the views, the issues and concerns of the communities. They are not part of the national chains that often reflect the point of view of central Canada or large metropolitan areas. With their editorial restrictions and so on, the large chains often reflect a certain ideology. Instead, I am referring to the newspapers in communities of 2,000 or 5,000 people that struggle to make a living. They act as the voice of the community and raise issues of local concern. They advertise for the local entrepreneurs and make people better aware of their business. Surely we should encourage the small independent newspapers. Other countries have all sorts of legislation which recognize the role

they play and assures their place as a vibrant expression of the community voice.

In Canada we see the growing monopoly of newspapers and the expression of the community voice being thwarted. This legislation will place a greater burden on those very small and often unprofitable operations in small communities. I appreciate that the government has adjusted the advertising and news ratio from 75 per cent to 80 per cent. That is a small step in the right direction but, as we have pointed out many times, the definition is an arbitrary one. The Minister of State for Finance (Mr. Bussières) indicated in the House that it was arbitrarily set at 80 per cent and could be 90 per cent or 100 per cent.

There are two fundamental problems with this approach by the government, Mr. Speaker, that have not been discussed adequately. The content rule discriminates against small independent community newspapers in many ways. It will raise administration and production costs for them proportionately more than it will for the large metropolitan newspapers, many of which have access to computers. The computers help reduce the cost of production, but small community newspapers cannot usually afford such technical innovations.

The large metropolitan newspapers have greater flexibility to adjust their news content. The breadth and diversity of culture in our cities provides proportionately more news material for the dailies than is available to the independent weeklies that are the community voice. The large chains can afford the specialized staff to cover, for example, the much broader range of sporting events.

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock I do now leave the chair until two o'clock p.m.

At 1:00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Riis: Mr. Speaker, when we rose for the luncheon break I was commenting on the role of small community newspapers and why the government should be doing everything possible to encourage the development of small community newspapers to ensure that we, as a nation, work as hard as possible to avoid the monopolistic type of newspaper reporting that we see emerging in Canada. We should work against the merging of newspapers which will restrict, if you like, the voice of Canada to fewer and fewer newspaper companies. It is in all of our interests to ensure that as much freedom of speech as possible exists in Canada, which is reflected in small community newspapers probably as much as through any other medium.

I mentioned that the large metropolitan newspapers are not quite so worried as the smaller newspapers about the 80 per cent arbitrary figure set for the ratio between advertising and news. The large chains can much more easily afford the news content of the newspapers because of the specialized staff they have. For example, staffs of the larger papers can cover a much broader range of sports events, art exhibits, craft fairs, drama festivals, film and play reviews. Also they are able to provide reports on the latest fashions, business and finance and in depth, specialized analysis of topics in areas such as foreign affairs, science and technology, gardening and so on.

The second major implication of this legislation derives from the distinction drawn by the Minister of Finance (Mr. MacEachen) between news and advertising or, as the Minister of State for Finance said, between information and advertising. With interest rates hovering now in the 20 per cent range and the cost of living rising above 12 per cent, some of the best news people can read today in a newspaper advertisement is a flyer informing them of the relatively good buys in meat at the corner store or that winter clothing is being reduced 30 per cent at McAllister and Howard, or that building supplies are reduced for the weekend at a certain building supply company. I suggest that this is the kind of news which the consumer of Canada is interested in hearing about.

I do not mean this in a flippant or casual way. When the Minister of Finance stands up in the House and says that he is fighting inflation by increasing interest rates, by actions which result in decreasing the value of the Canadian dollar, which result in an increase in the cost of living for Canadians, is this the kind of news Canadians want to hear? Wouldn't they rather hear that the Sorrento market is going to be offering substantial sales that weekend for different foods? That is the news Canadians would rather hear. In a highly inflationary environment where there are significant costs associated with acquiring market information, the market's performance is improved and the cost of living for Canadian families is reduced when consumers are better informed about the availability and price of goods in different marketplaces, the location of sales, etc. It may be ironic that a member of the New Democratic Party is defending measures that will improve performance in the marketplace, but, indeed, I have often felt that in the traditional sense of the term, the best friend of the new enterpriser in Canada is the New Democratic Party; the best friend of the free enterpriser.

• (1410)

An hon. Member: That does it.

Mr. Riis: If we look at this from the point of view of Canadian families, they benefit when Canadian small businesses and Canadian newspapers, can reduce the cost of living and save money. We on this side would like to see measures that would strengthen the small newspaper community rather than additional hurdles such as this particular legislation places on those small independent newspapers of Canada. We should go beyond Bill C-57 and consider removing federal excise tax on informational advertising flyers and supplements which are not produced for distribution through newspapers for the same reasons I have articulated earlier.

Enough of community newspapers for the moment, Mr. Speaker. I want to talk for a few moments as a western Canadian member, as a member of the House from that part

of Canada who is becoming very, very concerned. Some months back we saw, when the voices of concern in Quebec were growing in volume, the federal government in its wisdom taking a number of steps to recognize that concern of the people in Quebec with their feelings of alienation. Right or wrong, a number of steps were taken, and we see from the results of polls and referenda that in fact the people of Quebec responded to that at least perceived sensitivity by the federal government.

I am talking about a growing feeling of alienation in western Canada. I am not pleased to see or say this, but there is a feeling in western Canada that this particular government is insensitive to the concerns of westerners. Recent polls carried out over the last number of months have indicated very clearly that those westerners who see the federal government as not doing very much for them relative to other areas in Canada are looking more and more favourably at some other political arrangement.

I am not talking separatism. I do not believe in that for a moment and I do not believe many western Canadians do, although 10 per cent do. I would ask members opposite how many people in Quebec would register in a poll as being separatists. I suggest it is not much greater than 10 per cent, so when we talk of only 10 per cent of westerners registering that complaint we are talking of a significant number of people who are concerned about the way Ottawa, this particular federal government, is treating westerners.

What is the federal government doing about this? What kind of gestures or policies is the government implementing to show western Canadians that, indeed, it is sensitive to their concerns, that it recognizes westerners have a special set of concerns in that part of the country and is meeting them?

I do not want to get into a large elaboration of the western development fund that was held up as the gesture by this particular government to westerners, but where is that western development fund and what is it? By this piece of legislation we are debating today, what this federal government is doing is taking $38 billion from western Canada, laundering it here in Ottawa and returning $4 billion. That is the kind of perception, right or wrong, that is emerging in western Canada. From the information I have, I have to articulate that $38 billion is being collected by the taxes we are levying today on natural gas and oil. That $38 billion is to be taken to Ottawa, laundered and sent back through a pork-barrelling system to the extent of $4 billion.

An hon. Member: What's wrong with that?

Mr. Riis: That is the kind of perception western Canadians have. Right at the moment there exists infrastructure for this particular government to assist the west without the politically orientated western development fund. In principle we on this side oppose that kind of approach. Already the infrastructure exists to get money into western projects. I do not have to articulate anything other than, let us say, the DREE program if we are serious about this.

What does the PGRT do? Really, when you look at what the PGRT is, you will clearly see it is a revenue grab by the federal government. It is clearly the imposition of a royalty on a certain energy resource.

One has to ask the question, why is it that the federal government has selected only a restricted number of energy resources to tax? Why is the federal government not taxing hydroelectric power? Is it because of the implications of that move in the provinces of Ontario and Quebec? Why is the federal government not taxing uranium as an energy resource in Canada? Why is the federal government not taxing coal as an energy resource in Canada? These are legitimate questions a member of Parliament would want to ask. Being from western Canada one becomes slightly suspicious when one sees a particular resource that is restricted to perhaps three provinces being taxed and not the other energy resources. That certainly begs the question why. People wonder why there is a growing sense of alienation by westerners.

Mr. Evans: I explained that to you last night.

Mr. Riis: We will be looking forward, as all westerners will, to the answer as to why it is that hydroelectric power is not being taxed while oil and natural gas are. It seems to me that western Canada very, very clearly is being discriminated against.

Members have previously spoken more eloquently than I of the precise result of these taxes being levied. What kind of a government would identify a number of wells, let us call them marginal or stripper wells, and say that because of the policy it is prepared to implement it is going to close down all those wells? And there are thousands of them. I grew up in the Turner Valley oil fields of southern Alberta and I know what a stripper or a marginal well is and the importance of the role those old wells play today in our move toward energy self-sufficiency. Yet under this particular legislation those wells are going to be closed. Those marginal wells will be closed because they are expensive to operate and this new tax being levied makes the difference. We will see wells that could successfully be providing us with energy resources for years to come being closed off because they will no longer be economically viable. Why on earth would a government want to do that? We will wait with eager ears for the Parliamentary Secretary to the Minister of Finance to stand up and explain why this government is closing off the marginal, stripper wells in western Canada.

There are many other items one could speak of, including the whole matter of indexation that we on this side find a repulsive concept to be introducing. The Government of Canada is saying it is going to index the taxes on alcohol, including wines and beer, and tobacco. Does that not tell Canadians that this government assumes inflation is going to continue at the present rate if not higher? Does it not demonstrate clearly to Canadians that it is necessary to index these particular commodities because the government knows inflation is going to continue?

What else does it do? If the value of the Canadian dollar drops relative to the Swiss franc, or relative to the currency of a number of countries from which we import materials in the sub-group within the CPI, that will result in an increase in the price here in Canada. If, for example, by implementing the PGRT there will be an increase in fertilizer costs and in chemical costs to farmers, which will result in an increase in the price of grain, which will then mean an increase in the price of beer and food—and the same applies to products of the vineyards—this will result in an increase in the sub-group within the CPI which will bring about an increase in terms of the taxation levy on those commodities.

• (1420)

We are introducing the PGRT, on the one hand and guaranteeing, on the other hand, that the taxes we levy on certain beers and on tobacco will be increased. We are guaranteeing it. This gives the government a vested interest in inflation.

Mr. Young: And it never has to be accounted for publicly.

Mr. Riis: As my colleague the hon. member for Beaches (Mr. Young), says, it never has to be accounted for publicly. It is a way to sneak in or bootleg tax in behind the scenes. The government never has to appear before Canadians to tell them this tax is to be raised. Canadians will never know.

A very reasonable request was made by the Alberta natural gas co-ops. Because of their complex procedures and the time it takes to send out bills and get them back from our post office system, the co-ops said they want to have 90 days to submit their taxation payments. They said they would pay the tax. They said they do not like it, but they said they would pay it. However, they want a 90-day period. Otherwise they have to go to the banks and borrow at exorbitant interest rates. All hon. members of this House will agree that interest rates are exorbitant. The co-ops will have to borrow from the banks to pay federal tax.

The Tories and New Democrats in this House agree that this is unfair. It is an unfair requirement of the gas co-ops of Alberta or anywhere else. Let us give these people 90 days to pay their taxes. Surely that is not an unreasonable request, yet hon. members opposite unanimously said no. They are going to force these people to go to the banks of Canada to borrow money at very high interest rates—the highest in Canadian history—to pay their federal taxes.

Mr. Orlikow: They claim they are friends of co-ops.

Mr. Riis: And they claim they are friends of co-ops in western Canada and elsewhere. What a myth!

I want to refer to the motions put forward last night respecting the creation of ethyl alcohol. The creation of ethyl alcohol on the farms of this country makes nothing but good sense. Other countries around the world are demonstrating leadership. In their efforts to bring about energy self-sufficiency and in their efforts to reduce costs for transportation fuels, they are encouraging farmers to use their marginal agricultural lands to create alcohol for use as transportation fuels. Is that unreasonable?

I understand that before the end of this decade Brazil plans to have virtually 100 per cent of its transportation fuels coming from ethyl alcohol derived from converted vegetable material. Brazil is taking energetic steps in this regard. Canadian farmers need an alternate source of income. They need to take advantage of land which is not used to produce food. Their marginal land could be cultivated, and crops which could be converted into ethyl alcohol could be grown. Why not? This government has just completed a series of examinations of alternate forms of energy. Why not say to the farmers of western Canada and other parts of Canada that this is an opportunity for them to grasp? The government should want to provide this opportunity for them. However, there has been no consideration of that at all.

Finally, I want to mention a provision in this bill which, quite frankly, is unacceptable. That provision is the tax on dynamite used in the construction industry. As a member from British Columbia I am very aware that when townsites are built a great deal of blasting is required in order to provide the infrastructures for factories, houses, warehouses and so forth. Dynamite is important to the construction industry. Construction components have traditionally been exempt from federal sales tax, and this has encouraged the industry. I credit the government for that, but why are we changing it now and telling contractors who use dynamite, which is a major component of their construction costs, that dynamite will now be taxed? Why is the government making this change and moving to tax that construction component? We will listen anxiously to hear why on earth we have selected one construction component and left other components exempt from federal tax.

I have left my most challenging comments for the end, and I know others will take this up. I see that my time is drawing very near to an end, but I want to mention the marginal manufacturing tax. In principle we agree that, in order to encourage Canadian manufacturers, this marginal manufacturing tax makes sense in certain areas; there is no question about that. But the way it is implemented is indicative of the approach of this whole piece of legislation.

One day some people in my riding received notices saying that they were now manufacturers. They were probably not aware of that, but they were told they were now classified as manufacturers. They were told they could not take advantage of manufacturing grants by the federal government but that for taxation purposes they were marginal manufacturers and should change their prices because of this additional tax. They did that.

Four days later they received another notice saying that the government had made a mistake and that there were changes and so forth. They telephoned their member of Parliament asking what was going on with this marginal manufacturing tax. I had to say that I was not aware of the details. I told them to telephone their regional taxation office, which they did. The regional taxation office was also not aware of the details. Here we are imposing a tax and asking people to

co-operate but it is impossible to get information on this marginal manufacturing tax anywhere.

I use this matter as an example to show that this piece of legislation, Bill C-57, is ill-conceived. The people of Canada see this as an insensitive piece of legislation. It is sloppy and unnecessary. That explains why 135 amendments from this side of the House were required. The people of Canada will be very disappointed when information about this bill gets out. It will be a sad day for Canada, and hopefully for this government, when people, manufacturers, newspapers and other become aware of the details of this legislation.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, we have heard a wide range of comments from the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Kamloops-Shuswap (Mr. Riis). I know the hon. member for Kamloops-Shuswap has to leave to catch a plane to go back to his riding. I would therefore like to respond to the issues he has raised first, and then I can turn my attention to the comments of the hon. member for Edmonton West, as time permits.

A number of issues have to be dealt with when we are talking about taxation generally and this piece of legislation in particular. After all, the bill does deal with the Excise Act and the Excise Tax Act. The excise tax is a percentage tax. It is a flat tax; it is not a progressive tax like the income tax. It is a tax which applies everywhere to everyone at a percentage rate. It is not part of the wealth redistribution mechanism which is associated with the income tax. That is an important distinction to make. We are talking here about a flat percentage tax which applies equally everywhere irrespective of income levels or any other considerations.

On the other hand, the income tax is the progressive side of our tax system. It taxes the wealthy much more heavily than the poor and gives us the fiscal ability to redistribute income. This excise tax—

• (1430)

Mr. Baker (Nepean-Carleton): Is a regressive tax.

Mr. Evans: It is a regressive tax, of course it is. No one ever said it was not. The sales tax is a regressive tax.

Mr. Nystrom: It is a regressive government.

Mr. Evans: All taxes that apply equally irrespective of income are termed regressive. The distinction is quite clear. It should be kept in mind when we talk about these kinds of taxes and their impact, because that is the nature of the tax.

Mr. Nystrom: Regressive Liberal party.

Mr. Evans: Now, argument can be raised—and if hon. members wish to do that at some point in time the government would certainly be willing to listen to what they have to say—regarding eliminating altogether taxes of this nature. However, that is not the case we are dealing with here. We are talking about a tax which applies equally everywhere.

This bill contains amendments to this act. It is not a new act, let us make that clear; it is amendments to an act. Why do these amendments come forward, as they have since 1978? The Minister of Justice (Mr. Chrétien) was then minister of finance and he brought forward some amendments primarily because of inequities in the tax system. There were people who were not being treated fairly. What I mean by that is that if it is a flat tax it applies equally to everyone, but it did not apply equally to some. The minister at that time, in bringing in these amendments, was trying to ensure that all people pay their fair share of this particular tax.

In 1979 the hon. member for St. John's West (Mr. Crosbie), then minister of finance, brought forward amendments to the Excise Tax Act and Excise Act for precisely the same purpose—to close loopholes and improve the equity of that particular tax. Again, in April of 1980 the Minister of Finance (Mr. MacEachen) brought forward amendments to those acts, some of which had been proposed by the hon. member for St. John's West.

Mr. Baker (Nepean-Carleton): You are not suggesting it is a Crosbie index, though?

Mr. Evans: No, I am talking about certain proposals. Then again in the October 28 budget the Minister of Finance brought forward further changes to these acts. All of those proposals that had been brought forward, a great many of which were implemented, are incorporated in Bill C-57, amendments to the Excise Tax Act and Excise Act, the first bill of this kind to my knowledge to be before this House in some five, six or seven years.

Mr. Baker (Nepean-Carleton): I rise on a point of order, Mr. Speaker. I apologize to the hon. member for interjecting. He was not by his remarks suggesting that the hon. member for St. John's West (Mr. Crosbie) was going to the principle of indexing those excise taxes? I want to make it clear—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Evans: I welcome the hon. member's interjection, my neighbour and friend, because if I left that impression I did not intend to.

Mr. Cullen: He probably would have.

Mr. Evans: My friend the hon. member for Sarnia-Lambton (Mr. Cullen) says he probably would have. That would be imputing motives and I cannot do that in the House.

An hon. Member: Bud can.

Mr. Evans: The hon. member for Sarnia-Lambton can if he wishes.

So, Mr. Speaker, there were amendments brought in over a long period of time by ministers from both sides of the House, because when they examined these two acts they found there were anomalies, loopholes and inequities. The amendments were therefore designed to try and ensure this particular tax applied as it was supposed to be applied, so that all pay their

fair share equally and equitably. That is the basic principle of an excise tax. You may agree or disagree with it, but that is the principle and that is what the amendments were meant to do; to plug loopholes or make application of the tax more equitable. Those were the reasons for the amendments, regardless of by whom they were proposed.

With that in mind, Mr. Speaker, perhaps we can look at some of the specific criticisms levelled by the opposition at the government for the ways in which changes were put forward. Specifically, I will try and deal with the various concerns brought forward by the hon. member for Kamloops-Shuswap.

It was pointed out by the hon. member at the outset that the government had given inadequate thought to the legislation. I hope I am wrong, but I think the reason the hon. member felt that way is that when the bill was put forward to committee a great many people wanted to make representations. Now, to my knowledge this is the first tax bill ever referred to a standing committee of the House, at least in recent history. Tax measures and measures dealing with supply are always dealt with in a Committee of the Whole.

Mr. Riis: Never again.

Mr. Evans: As a result, Canadian citizens do not have an opportunity to make representations except through their member of Parliament. When you are dealing with a tax bill and it goes to a standing committee and representation is asked for, it is not surprising that you get people who want to make representations. However, Mr. Speaker, it is also not surprising that you have representations because you are dealing with taxation, and any time you do that you are saying flat out that you are going to take something away from someone in order to finance programs or whatever. Someone is going to have a tax imposed on them that they did not have before, or they are going to be heavier than before. Of course, others might have a reduction in taxes. However, if I am a businessman, consumer or ordinary citizen and I find that a new tax is going to be imposed, or my taxes are going to be increased, I will want to make representations.

It does not surprise me at all that Canadians made representations. However, the question we as parliamentarians have to ask ourselves, which we did in looking at the representations that were made, is this: in light of the principle of tax equity and fairness is the burden being placed on this group of Canadians unfair? Is it inequitable? Is it heavier than the burden being placed on others in the same occupation, profession or industry?

An hon. Member: Yes, it is.

Mr. Evans: That is the guiding principle, Mr. Speaker.

Mr. Nystrom: Terrible Liberals.

Mr. Evans: That is the question we asked ourselves and which guided us in determining whether or not certain proposed amendments could be acceptable.

Mr. Taylor: Why did you put it all on the west, then?

Mr. Evans: Mr. Speaker, that has to be the foundation upon which the government determines whether it will accept this amendment, whether it will or will not make this change. Because to make that change would take some of the proposed tax burden off this group but leave it on others. As a result these people would be unfairly treated relative to other Canadians in the same field.

Now, Mr. Speaker, some of the groups that came before us said that because of their particular circumstances they should be treated differently from others doing precisely the same thing as they do. That is what parliamentarians were doing in committee, and I think we did our job well in asking: is the request being made by this group fair and equitable in light of the nature of the tax, the principles we are dealing with, or is it unfair? Would it give them an advantage which other groups do not have and as a result put them in a favourable light within the over-all tax system? That is certainly the kind of thinking I tried to bring to bear, and I am sure that the hon. member for Kamloops-Shuswap, the hon. member for Edmonton West, the hon. member for Sarnia-Lambton and others tried to look at these requests for change, amendment and exemption in that way. Clearly, Canadians looking at the same thing from different points of view are going to come up with different conclusions, and that is the reason for the 135 proposed amendments by the opposition. I think 49 were actually unique because both opposition parties had areas of similar concern, and as a result they proposed overlapping and duplicate amendments.

• (1440)

The concern over the impact of these taxes upon Canadians is precisely the concern of the government which gave rise to the amendments in the first place. The government did not sit down in isolation and say that it should change this tax in this area, for whatever reason. In the vast majority of cases, representations were made to the government regarding the impact of the Excise Act and the Excise Tax Act. These representations showed the government that at that moment the tax was being imposed inequitably, that some groups were bearing a heavier burden than other groups of Canadians. As a result the government brought forward amendments to try to remove the inequities. This process goes on all the time. We change the Income Tax Act, the Excise Act and the sales tax in some way to try to maintain the original principle of equity which was established in the first place.

Let me go down the list and look at some of the representations. For example, the Hobbema Four Indian band came before us and said that it should be exempt from taxation because of the nature of its relationship with the Government of Canada. The band felt it should be exempt for all time in the legislation. Because of that relationship, the band received the essence of its request; the tax does not apply to the gas produced on the Hobbema Indian reserve or on any other reserve.

It asked us also whether we would say once and for all that the government would never tax gas on Indian reserves. We

said that this was not the piece of legislation in which to include such a broad exclusion of any taxation ever, but it is the place to say that the excise tax will not apply on Indian reserves. We did it in response to the request of the Hobbema Indians. The hon. member for Kamloops-Shuswap said that we did not respond to the demands of the Indian bands. I say that we did respond—the tax will not apply to them.

The second area in which I was interested was the representations of the scientific and university communities. They said that because we were separating the excise tax from the Customs Act, so that the two acts would no longer determine the nature of the tax, some of the technical equipment they used for research and teaching purposes in the universities would be taxable. The other side of that is: by exempting the goods imported by the scientific and research communities from any tax or duty, in essence we were ensuring that Canadian manufacturers would never spring up to produce those kinds of goods. Because of the competitive advantage of the very large multinational producers of some kinds of scientific equipment, in terms of their sale forces and so on, the research facilities in Canadian universities were not aware that very similar goods were available from Canadian producers.

In the case of the marginal manufacturing tax, we wanted to ensure that importers did not have a competitive advantage vis-à-vis Canadian producers which create jobs for Canadians; we wanted to do the same thing with regard to scientific equipment, but they were being put at a competitive disadvantage to imports.

For the purposes of economic development, we said that Canadian producers should be put on an equal footing with the imports and that they should be given an additional advantage. As a result the tax was changed and our scientific equipment manufacturers will benefit from it. It will mean long-term jobs for Canadians in highly paid positions.

I do not apologize for doing that. I used to be a university professor and I know the costs and the troubles faced by the universities. I am saying that in the vast majority of cases there are Canadian-produced goods of equal quality which will do the job as well. Now those Canadian-produced products will be in a position to compete fairly and effectively.

I cannot indicate the background of the tax on the handicapped, but certainly if there is an anomaly in the tax which cannot be clearly justified, I assure the hon. member we will reconsider it before the next budget. I am not making any promises, but I will tell him that right off the bat.

I met with representatives of the artistic community with regard to lithographs. It was a problem area from the outset in terms of this particular tax. The difficulty was coming up with an equitable definition of an original print. The hon. member for Kamloops-Shuswap made a very valid point. He indicated that original lithographic prints signed and numbered by the artist are totally different from Elvis Presley posters and such. The creative process runs from the individually created, one-off print all the way to multiple copy prints, mechanically produced prints, and the ones reproduced on an offset press. The difficulty which Revenue Canada is now trying to work out with the representatives of the art community is how to define "original". If someone makes 5,000 copies of a print, then signs every one and numbers them from one to 5,000, do they qualify or not?

The Secretary of State (Mr. Fox) and the Minister of National Revenue (Mr. Rompkey) are continuing to work on this particular problem. It will be considered for adjustment in the coming budget within the context of "original". We do not want to tax original art, but we do not want to say that something by art community standards, or even very loose standards beyond the art community, would possibly fall into that area and not be taxable. We want to avoid that and the art community wants to avoid it. We are working with them to arrive at a clear definition to ensure that the tax does not apply unfairly to artists who are lithographers as opposed to others.

Turning to the area of newspapers, this point was raised at second reading and at report stage by the hon. member for Kamloops-Shuswap. As well, the hon. member for Edmonton West (Mr. Lambert) raised it this morning. I should like to deal with the concerns of both members in that regard. The hon. member for Kamloops-Shuswap said that we should encourage small, independent newspapers. I could not agree with him more. I am sure no one on either side of the House would disagree. There is nothing in this piece of legislation which will impact in any way upon the ability of small, independent newspapers to operate profitably and to operate as they have in the past.

● (1450)

At one time a newspaper was defined to be any publication in which there was no more than 70 per cent advertising. I believe it was in 1978 when this area was questioned in the courts and it was eliminated, for whatever reason. When this particular legislation was brought forward the question we were trying to get at was if you have an advertising flyer which contains absolutely no printed words by an editor, a writer or by anyone, is it a newspaper? And is it then subject to the tax-free provisions? That is the question we were asking.

What was the original intent of exempting newspapers from taxation? The intent was that we wanted to have free and open access to information for Canadians. We wanted Canadians to be able to hear the criticisms of anyone who wished to set up a newspaper or a radio station, within regular guidelines, that is, the limitations associated with airwaves, etc. We wanted to give Canadians the broadest possible access to different ideas, to criticism of government and of the business community and to criticism of each other. That was the original intent many years ago. I think that intent must be considered with regard to what is going on here.

Let us look at the definition which has been proposed. It says that if any one issue of newspaper is more than 90 per cent advertising, then it is not tax exempt. That certainly cannot be considered unreasonable, since I think all of us have some concept of the difference between news and information. Advertising is certainly information but should advertising in

that form be tax-exempt? It is not tax exempt when you see it on television or when you hear it on the radio. Why should it be tax exempt because it is printed on a piece of paper? If the intent of a publication is to be a newspaper—and I think we can all agree on the general concept of news—then let us not exempt those things which do not fall into some very reasonable definition of what a newpaper is.

Another aspect of this matter is that if any one issue is more than 90 per cent advertising, then it is taxable. If more than half of all the issues in a quarter of a year are more than 80 per cent, then it is taxable and it does not fall into the exemption. But that means 49 per cent of the issues can be 80 per cent advertising and that 51 per cent can be 79 per cent advertising, which means an average of 85 per cent advertising over the quarter. And it is still exempt from tax. In a 15-page newspaper you are talking about very little news and an awful lot of advertising.

I think our definition is fair. The Quebec weeklies and the weeklies in the rest of the country have looked at the question. They have said that they are still concerned but it looks as if they will be able to live quite well within that definition.

As I mentioned earlier in the House, when this issue was raised before the Senate committee the Quebec weeklies brought in a sample of ten newspapers—and this was before we had the more generous exemption provision. This was when the rule was 75 per cent. If your paper contained more than 75 per cent advertising, then it was taxable; if it was less than 75 per cent it was not. The Senate committee went through the ten sample newspapers which were placed before it and not one of them would have been taxable under the 75 per cent rule. Now, with the more generous 80 per cent on 50 per cent of the issues, or 90 per cent on any one issue, it is virtually certain that the dailies will not be affected by this tax. That was the intent. The intent is to plug the loopholes but not to affect the legitimate operators. This is precisely what I think this measure will do.

With regard to the inserts, I tried to explain this once before. Advertising inserts have always been taxable. The tax is the manufacturers' excise tax which applies to printed material. What has happened over the last few years is that newspapers found out that, because of the newspaper tax exemption, if printed material were inserted into a newspaper and distributed by the newspaper company, it was tax exempt. But if it was distributed by a group of boy scouts or a small distribution company which hired young people to distribute the material in the neighbourhood, it is taxable.

There is a company in my riding which hires young people in the neighbourhood to distribute material. A flyer came around the other day from a distribution company asking whether young people were interested in distributing advertising material for such companies as Shoppers Drug Mart, the A & P, IGA or Home Hardware. It offered to pay something for this work. It is an opportunity for young people to make money. They do not have to be newspaper carriers; they can earn money by distributing flyers from time to time. It is not a regular job but one which supplies some income for young people. The government was approached some time ago by a number of these small distribution companies which indicated to us that, because the newspapers were not taxable and the newspapers could take this printed material without the tax and distribute it, then they were at a significant competitive advantage over the small, independent distributors. We said that if the tax is on printed material then the nature of the distribution system should not have any impact, on the grounds of equity, as to whether or not the tax is paid. Newspapers should pay the same tax as the small distribution companies pay.

That was the basis of the discussion surrounding this issue and it seems to me to be fair and equitable. It is not a tax in any way, shape or form on newspapers. It is precisely what it has always been. If the newspapers choose to move into a new area of business then they should not expect that they can carry their tax-free status under their arm and say that because they are newspapers and are competing in this new area of business therefore they are tax-free, while anyone else carrying out this undertaking is taxable. I think that is a legitimate objection for the government to raise. There is no doubt that this is not an attack on the freedom of the press in any way. That is the biggest red herring I have ever seen drawn across the path of any piece of legislation.

A point was raised about gas co-ops. The gas co-ops in Alberta came to us and said, because of the nature of their distribution system they do not get paid by those who purchase gas from them until at least 40 or 45 days after the gas is purchased from the original supplier, at which point the tax is applied. What the gas co-ops would like to see is the payment of the tax being delayed for 90 days after receipt of the gas so that they would not have to carry inventory and finance it. That sounds reasonable on the surface. The problem is that every business in the country carries inventory in one form or another and every business person in this country has to finance that inventory.

In the case of the co-ops, if we were to say that because they are co-ops, or because they are nice people, they do not have to pay the tax for 90 days, then there is no reason or logic why any other businessman should not pay the tax until after 90 days. We have said that all our business people must pay this tax after 30 days, and why should it be different for gas co-ops in Alberta. That was the reasoning which took place in the minds of the government.

• (1500)

We said, "No, I am sorry. We cannot do that, because if we do it for you, automobile dealers will say that we carry inventory and pay this tax before we get paid by the people who buy our cars." When gas distributors, such as Consumers' Gas, here in Ontario, or B.C. Hydro—or whichever company distributes gas in British Columbia—buy gas and store it for winter use, they pay the tax when they receive it. They are distributors; they are not the producer. They would be saying, "We hold this inventory of gas and we should be exempt from paying that tax until we sell it to the consumer."

The problem, when one gets into tax legislation, is that one is dealing with something which is extremely complex, and matters of equity are not clear, they are not easily seen. One has to look beyond the surface into the depth, the meaning, the effect, the implication and the impact of the tax before one can determine whether a request for relief from one group is equitable in light of the over-all tax system.

There were other issues which were raised by the hon. member for Edmonton West. I am not sure how much time I have. I think I have ten minutes. The hon. member for Edmonton West raised the question of the legality of this tax at the outset of his comments. I think he implied that in this House we were passing a tax which had been ruled illegal. That was another red herring. This particular tax, the gas tax, the gas export tax or export side of the tax—

An hon. Member: It is not the export tax.

Mr. Evans: The export side of the tax—

An hon. Member: Oh, I see!

Mr. Evans: —has been ruled by the Alberta court of Appeal to be illegal if it is applied to one of three wells which are owned by the province of Alberta and which have not exported one cubic foot of gas to this date. It is a hypothetical case. If one of these wells were to produce a cubic foot of gas and it was exported, could the federal government's tax apply? That is the case. There could be very peculiar circumstances. A well might be owned by the province, transported by the province to the border, and never change hands until it crosses the border. That kind of question might be considered. The court of appeal in Alberta said that in that circumstance this tax could not be applied. It is now being appealed. However, there is certainly no question that in other circumstances, the federal government has the power to apply a tax on natural gas, whether it be exported or whether it be consumed here in Canada. The honesty of that particular case, I think, should be well known by Canadians.

The hon. member for Edmonton West also raised an issue which I do not really want to deal with in depth because it does not specifically apply to the legislation. However, he mentioned the fact that this is a tax on natural gas, and the budget of the hon. member for St. John's West (Mr. Crosbie) did not have a tax which applied to natural gas, and that as a result, Canadians will pay far more for natural gas under this government than they would have under the other. I really think, that is a mug's game, in all honesty. However, the fact of the matter is that the price of natural gas under the government of the hon. members opposite was tied to the price of oil, and the price of oil was to go to 85 per cent of world price in 1984, and that would have pulled up the price of gas. Therefore, one can take one point of view and run down the line with it. If one forgets about all these other factors, one can wind up with one conclusion which is not necessarily correct. It tends to have a misleading effect on the understanding of Canadians.

The issue of indexation has been raised. This government has been accused of trying to profit from inflation, that we are going after this particular area unfairly, and that we are imposing a tax which will grow exponentially and will take money out of the pockets of Canadians. First of all, all taxes take money out of the pockets of Canadians. I have explained this before. When we are talking about indexation, what are we doing? The alcohol and tobacco tax has always been a flat tax, in dollar terms. In other words, the tax was explained in the following way: the federal government tax or the provincial government tax, because both place taxes on certain products, will be 35 cents per pack of cigarettes. That is an example. That being the case, it was a very unusual tax. A fixed dollar levy is a tax which does not apply in many other areas in our society. Most taxes are on a percentage basis. The sales tax in Ontario is 7 per cent. The manufacturers' excise tax, which was formerly 12 per cent, is now 9 per cent.

There are other forms of taxes. The income tax provides that if one makes a certain amount of money, a certain percentage of that will come to the federal government and a certain percentage will go to the provincial government. The taxes are stated on a percentage basis. These two taxes, alcohol and tobacco, are stated on a dollar basis. As a result, as the price of the product goes up, the tax stays precisely the same. To keep the same tax burden on those products, every couple of years we come back and say, "Let's see. We're going from 35 cents to 40 cents a package of cigarettes or from two cents to eight cents on a bottle of beer", whatever the impact, but we keep coming back and changing the dollar amount. The logical thing to do is to change it to an *ad valorem* tax and to say it shall be a percentage. Whatever the price, add on 8 per cent or 10 per cent or whatever, and that is the tax. That keeps the tax at exactly the same percentage burden as it has always been. The way to do that is to do exactly what we have done. It was such a good idea that the hon. Frank Miller in Ontario, of the Conservative party, immediately brought in the same legislation for the Ontario tax.

Mr. Baker (Nepean-Carleton): That does not make it any better.

Mr. Blenkarn: It is not the same legislation either.

Mr. Evans: I am saying that it is fair and equitable way. The tax is tied to the sub-index of alcohol, and the tax will increase in the same proportion as the price, and will stay the same, with the same percentage burden, as it always was.

Mr. Baker (Nepean-Carleton): It is a bad example.

Mr. Evans: If the hon. members opposite say that that is indexation of taxation, then they should be against the income tax, the sales tax and the manufacturers' excise tax, because they are all stated in percentages and they will all have precisely the same impact which the indexation of this particular tax has because of the nature of the tax.

An hon. Member: Trying to kid the troops now?

Mr. Baker (Nepean-Carleton): We index the income tax to the benefit of the taxpayers.

Mr. Evans: We were not talking about the indexation of the income tax. That turns it around and it goes the other way.

Cosmetics was another area which was brought to our attention. The difficulty there was that the government had moved the incidence of the tax to the cosmeticians level because of the understanding that the cosmetician was, in fact, a wholesaler. We found out that such was not the case, and we responded because it is a manufacturer's excise tax, after all, and the tax should be collected at that level. The cosmeticians said, "Look. We use these products, whether they be shampoos or other forms of cosmetics, in our beauty salons. Therefore, we are a retailer of these products, not a wholesaler. Therefore, the tax should not be applied on our sale price. It should be applied on the sale price of the person before us." We said, "That being the nature of the cosmetics business here, which we are talking about at this time, that is fine. Therefore, that tax should be back there."

The amendment was put forward, and we met their concerns. Therefore, when a group could show that there was not equity in this particular legislation, when they could show that the government was imposing a tax unfairly on them which was not being imposed on another group under exactly the same circumstances, it was changed. The government has examined these taxes very carefully and has tried to make sure that they are applied equitably and fairly to all Canadians.

• (1510)

I support the bill 100 per cent, Mr. Speaker.

Mr. John Thomson (Calgary South): Mr. Speaker, I have listened patiently for 40 minutes to the Parliamentary Secretary to the Minister of Finance (Mr. Evans) saying that this government is so fair that it can say, in effect, "We are the heart of human kindness; we are the people of equity and reasonableness."

Some hon. Members: Hear, hear!

Mr. Thomson: That is a joke. It would be laughable if it were not so sad. I think the parliamentary secretary actually believed what he said. Bill C-57 imposes a gas tax that discriminates against one industry in Canada, Mr. Speaker. The gas tax is applied to one industry; is that fair and reasonable? Is that equitable? That is a petroleum gas revenue tax that has wiped out all of the marginal oil production in western Canada. That industry is no longer producing because it is losing money. The petroleum gas and revenue tax has virtually crucified and wrecked the industry.

It is clear to most Candians that we are running out of oil and that we desperately need to find some alternative energy resources or we will have to produce a lot more oil. Surely, in the short run, we have to produce more oil. We should be encouraging, not discouraging, the oil and gas industry.

The parliamentary secretary talked about jobs in the scientific area of the industry that could be done quite well in Canada, and I do not dispute that. I would ask him to remember, however, that the National Energy Program has cost this country something like 60,000 jobs.

Mr. Cullen: Nonsense.

Mr. Thomson: How can anyone claim to be concerned about jobs while implementing a program that will cost the country 60,000 jobs? That is just the start.

Mr. Cullen: Nonsense.

Mr. Thomson: Is it nonsense? The government will not listen and will not believe the facts.

Mr. Cullen: We know the facts.

Mr. Thomson: I invite hon. members opposite to come to my riding of Calgary South to see the devastating effects of this program, or to Red Deer or to Bow River. They should come out and see what is happening to the oil industry in western Canada.

I want to address my remarks this afternoon to the impact of Bill C-57 and the petroleum gas and revenue tax on the oil and gas industry. The National Energy Program has received as much debate as any piece of legislation to come before this House, in my memory, since Mr. Benson's white paper on taxation. Indeed, I would say that the National Energy Program is probably as disastrous as was the Benson white paper on taxation, and is very likely more so.

It has taken me some time to realize that the National Energy Program is not a program at all. It is part of an over-all design by the Liberal government to control all aspects of the Canadian economy. It has nothing to do with energy. The oil and gas industry just happens to be first on the list for government control.

How can the Liberal government be so callous in its approach to the Canadian economy, the Canadian worker, the Canadian consumer and the Canadian householder? I have come to the conclusion that the Liberal government does not really care. It is flush with power and believes it can run roughshod over the Canadian people. I think there are those in the Liberal cabinet who have said, "We are not going to be around for the next election, so let's bite the bullet and push Canada as far down the socialist road to nationalization and federal government control as we can get away with." That is the purpose of the National Energy Program—nationalization and federal government control. Those are the primary objectives of the Liberal government, not only with respect to the oil and gas industry but the whole of Canadian society.

I have spent a good deal of time examining the pricing situation in the oil and gas industry today—the price of gasoline, of crude oil at the pump, royalties, and taxes taken by the federal and provincial governments. I have the benefit of over 20-years experience in the oil and gas industry.

The energy dispute in this country could be solved tomorrow morning by adding a nickel to the price of a litre of gasoline; 5 cents a litre and the problem could be solved, Mr. Speaker. The Liberal cabinet knows that, the Minister of Energy, Mines and Resources (Mr. Lalonde) knows it and the Minister of Finance (Mr. MacEachen) knows it. They do not want the conflict resolved as long as they can lead Canadians to believe that Alberta is the fall guy. The Liberal government does not want this energy dispute solved. It believes it can lay the blame for the energy conflict in Canada at the feet of the Alberta government. This is a lie; it is a deception. We could move to 75 per cent of world price at the wellhead and the government could have its 25 per cent share of that price. That could happen tomorrow morning by raising the price of gasoline by 5 cents a litre.

If this were done, Mr. Speaker, it would mean that revenues flowing to the federal government in the form of corporation taxes from the oil industry, would triple. The fiscal deficit could be reduced by $3 billion. We would have 75 per cent of the world oil price at the wellhead tomorrow and the federal government could increase its revenues by $3 billion and thereby reduce the fiscal deficit by $3 billion. This would cost the Canadian people one nickel per litre more at the pump tomorrow morning.

In Toronto today, regular unleaded gasoline costs 36.7 cents per litre. At a downtown Ottawa service station the other night, I paid 42.3 cents per litre for regular unleaded gas. Mr. Speaker, 36.7 cents per litre is equal to $55.30 per barrel at the pump and 42.3 cents per litre is equal to $64.15 per barrel at the pump.

The world price for oil today is $43 per barrel. That is what we are paying in Montreal every day, to buy 400,000 barrels of oil. If we take 75 per cent of the world price of oil, that is $32.25 or half the equivalent cost of a litre of gasoline at 42.3 cents at the pumps. If we add one nickel per litre at the pump, we would be paying the equivalent of $64.15 per barrel; and 75 per cent of world price of $32.25 would be half the cost we are paying at the pump.

A price of 42 cents per litre would allow the federal government to move to the wellhead price of 75 per cent of world price. The Alberta government would have to reduce its royalty from 42 per cent to 35 per cent of the wellhead price. Other provincial governments would have to freeze their taxes at the present level. Is it too much to ask this government to raise the price of gasoline a nickel a litre so that it can solve an energy dispute costing 60,000 jobs and putting out of reach any hope of attaining self-sufficiency for the Canadian people? The federal government would triple its revenues. It would get 25 per cent of the wellhead price, and the oil industry will be able to get on with the job of finding oil. Yes, that is too much to ask because the federal government does not want to solve the problem. It is no longer a question of price or revenue sharing. The problem has nothing to do with price and revenue sharing. The problem is that the federal government wants to control the oil and gas industry, and it wants to do it two ways.

• (1520)

It wants to take a royalty, which is exactly what the petroleum revenue and gas tax is. It is a royalty on a provincially-owned resource. The government then wants to distribute that royalty in the form of grants as the federal bureaucracy deems appropriate. The object is interventionism. This is government bureaucratic control. What we will hear is "line up at the public trough, fellows. We will tell you where to look for oil, and we will tell you if we like you and what you are doing. Maybe if you are a good Grit, we will give you some money to look for oil because we know where to find it better than you do". The federal government bureaucracy will be the oil finders in this country. They will take it from you with one hand and give it back to those they see fit with the other.

The other main objective of the National Energy Program is nationalization under the cloak of Canadianization. The government has made a lot of Canadians believe that this is Canadianization. It has nothing to do with Canadianization. The acquisition of Petrofina had nothing to do with Canadianization; it had everything to do with nationalization. It is a government-controlled, government-owned company. I say to the Canadian people, or to anyone who wants to listen, "do not be fooled by this Liberal government". The federal government can disclaim all it wants that its aim is not nationalization, but its actions and its legislation in every area confirm the government's intent to intervene in your life, to control your life and to control every aspect of this economy.

The National Energy Program is a tragedy. This statement has been expressed before by many other people. It is a tragedy for this country of staggering proportions. Not only does the National Energy Program deny Canadians the opportunity to be self-sufficient, it denies them the opportunity for an improved standard of living. It is burdening Canadians with the highest interest rates ever experienced in this country.

Hon. members may well ask, how does the National Energy Program relate to our high level of interest rates? We have high interest rates in Canada because we must follow the level of U.S. interest rates as long as we have to borrow money to cover our fiscal deficit and the debts we incur with other countries on trade. That is why we have to have high interest rates today. The governor of the Bank of Canada has said that. We cannot lower our interest rates. If we do, the value of the Canadian dollar will go down and our rate of inflation will go up. There is probably some consensus in this House on that point, if on no other.

But interest rates in Canada could be lowered by 5 per cent. Interest rates could be lower than they are now if the government took the following four simple actions. Our interest rates would be lowered by 5 per cent, perhaps not immediately but certainly within a period of one year. I will cite the four actions.

First, the government should move the price of oil to 75 per cent of world price which will reduce the oil import subsidy by $3.5 billion. That is all the government has to do. People will have to pay a nickel a litre more at the pump. By doing that we can reduce the federal subsidy that we are paying for oil

imports by $3.5 billion. Why does Canada want to pay $5 billion of Canadian workers' wages, our wages, for imported oil from Saudi Arabia and Mexico? What in heaven's name are we thinking about when the Canadian economy is on the ropes? Why do we want to pay $5 billion to people outside our country? It is madness. Therefore, I repeat, Canada should move the price of oil to 75 per cent of the world price and so reduce our import subsidy by $3.5 billion.

Second, we should move the price of oil to 75 per cent of world price to stop the $4 billion or more flowing out of Canada. I suspect there is a great deal more money than that flowing out of this country as a result of the National Energy Program. I know that in the oil and gas industry alone because of the National Energy Program $3 billion is leaving Canada for the United States and being used to look for oil there. I also know that the Germans are no longer investing in oil and gas in Canada. I know many foreign investors do not like what is going on here. They do not like what is happening to the Canadian economy, nor do they like the interventionist approach of this government, and they want to get out.

Again I say that if we moved the price of oil to 75 per cent of world price tomorrow morning, the entire attitude toward investing in Canada would be changed, not only of foreigners, but of domestic companies, Canadian companies. Do hon. members realize that the National Energy Program hurts our own domestic Canadian-owned companies far more than it does the foreign-controlled companies? The larger companies that are foreign controlled and foreign dominated can ride the situation out. The situation will not hurt them because they have downstream operations and chemical operations. But the small Canadian-owned oil and gas independent operators cannot ride out the situation. The small companies are the ones going to the United States with their money, their people and their drilling rigs. Therefore, we should move the price of oil to 75 per cent of world price to stop this hemorrhaging.

Third, if we move the price of oil to 75 per cent of world price, we would reduce the federal fiscal deficit by $3 billion by increased corporate taxes on the oil industry. As I have said, moving to 75 per cent of world price, or $32.25 a barrel tomorrow morning, would allow the government to take 25 per cent of that price and increase its share of corporate taxes by $3 billion a year.

Fourth, we should move the price of oil to 75 per cent of world price, drop the petroleum and gas revenue tax and allow world price for the oil sands plant. Alsands and Cold Lake together amount to an investment over the next five or six years of over $20 billion. More likely that figure will be $25 billion or more. If we dropped the petroleum revenue and gas tax and gave the oil sands plants just what we are paying to the Mexicans and Venezuelans, we could proceed almost immediately with the two plants which are going to produce 280,000 barrels of oil per day for Canadians for the next 25 years. That means a $25 billion capital investment alone over the next 5 years, which amounts to another $4 billion to $5 billion a year.

In summary, we have four actions which the government could take right away, and I suggest those four actions would have the consequence of so strengthening the Canadian dollar that we would not have to keep Canadian interest rates at the same level as the U.S. interest rates since the need to defend the dollar would be at a minimum. I am absolutely convinced that if the government took those four actions, we could have interest rates 5 per cent below the level today.

• (1530)

We cannot solve our inflation or interest rate problems in this country simply by monetary means, by controlling the rate of money supply. That is impossible. What we have to do is to reduce the federal fiscal deficit. Until the government comes to grips with its own demands on the money market, inflation in this country will never be solved.

The effect of those four proposals I made would be a reduction in the federal fiscal deficit of $6 billion; a $3 billion increase in corporate income taxes and a $3.5 billion reduction in import subsidies. Inside one year we could reduce the federal fiscal deficit by more than $6 billion. I do not know how much the rate of inflation would go down as a result of reductions of those kinds, but I think it would be darn significant.

Furthermore, think of what would happen. Do you know that the government is paying out $10 billion a year in terms of interest costs on its debts?

An hon. Member: It is $12 billion.

Mr. Thomson: Pardon me, $12 billion. I stand corrected. It is $12 billion in interest costs on the money the government has borrowed. The government went to the bond market the other day and paid 16⅛ per cent for its money. Let us just assume we could reduce interest by 3 per cent. Think of what a 3 per cent reduction in interest rates would be on $80 billion. That is another means of reducing the deficit and thereby reducing the rate of inflation.

The current wellhead price per barrel of oil is $17.75. This is shared as follows: $6.42 of that goes to the producer, the fellow who goes out and finds it and puts all the equipment in place to get the oil to the surface; the Alberta government takes $7.56 out of that $17.75; $2.63 per barrel is paid by the producer in the form of corporate taxes to the federal government, and on top of that the petroleum gas revenue tax proposed in this bill will take another $1.14 per barrel, which I might add is non-deductible for tax purposes.

I can tell you now that I left the oil and gas business three years ago and I know that you cannot find oil for $6.42. Nobody is going to look for oil at $6.42 a barrel. Incidentally, a producer in the United States now, after windfall taxes, profits and everything, gets close to $25 a barrel. What man in his right mind would go and look for oil here when he knows he cannot make any money at $6.42 and he can go across the border and get $25 a barrel? That is the madness and the insanity of this National Energy Program.

The finding cost for conventional oil in Canada is probably well in excess of $10 a barrel, and it is certainly much higher than that in the frontier and offshore areas. The petroleum and gas revenue tax we are talking about here this afternoon is totally counterproductive to our objective, an objective which I think should be foremost for Canadians today, that is the objective of self-sufficiency.

Many people have said we cannot depend on the Middle East, and that is true. I think all of us know what a critical situation the Middle East faces. But, do we really want to commit Canada to Mexico and Venezuela, apart from the Middle East? Does this make any sense when we have the reserves here in Canada? Does it make any sense to rely on foreign sources of crude and have our economy controlled by foreign interests? That just does not make any sense.

The government forecasts through the National Energy Program a reduction of 20 per cent in crude oil use in Canada by 1990, and the government says this reduction can be accomplished by off-oil incentives, namely, conservation and substitution of natural gas for oil. Let us just look at that for a moment.

To achieve a 20 per cent reduction in crude oil demand means that over the next ten years we will have to reduce consumption per unit of economic output by 50 per cent, and that is taking into account a normal growth rate in our gross national product of 3.2 per cent a year. Let us hope we can get somewhere near that because we will not achieve that this year. It also means a reduction of 30 per cent in the per capita oil consumption, the consumption of every Canadian over the next ten years, taking into account normal population growth. That means every Canadian will have to reduce the use of oil products by 30 per cent over the next ten years. It also means that all our manufacturing concerns using oil today will have to reduce their usage by 50 per cent.

I do not think there is a credible authority I have yet read, including the minister of energy and officials of the Department of Energy, Mines and Resources, whom I have repeatedly questioned, who can supply me with a factual base for that forecast reduction of 20 per cent. They do not have it; it is a pipe dream and they know it. Ask the Department of Energy, Mines and Resources and ask our own energy minister to give us the support for that 20 per cent reduction forecast. It does not exist because it is a myth, a falsehood.

I have said this is a major reduction over a relatively short period of time, and I have been generous. It seems to me something will have to give. Either the economy will have to grow at less than the projected levels or, more likely, our oil consumption target will be exceeded. Therein lies the problem, because that is what I think is going to happen. I think that forecast is just a bunch of baloney. I think our need for oil will far exceed that presented in the forecast.

Let us assume that the demand has not grown, by 1990 and this again is a highly contentious assumption, and using the National Energy Program's most optimistic supply forecast, which does not provide for any frontier production but does include oil sands production, Canada will experience a shortfall by 1990 of 330,000 barrels per day. That is making the assumption, which is highly contentious, that demand does not grow. Furthermore, it is also based on a very optimistic projection in the National Energy Program.

Let us make another assumption. I say it is very doubtful that we will have any oil sands production by 1990 by virtue of the National Energy Program. As a matter of fact, it may very well be that we will not have any oil sands production, at least from Cold Lake and Alsands, because they are really getting ready to walk away from those projects. They just do not make any economic sense. When I first came here two years ago, the Cold Lake plant was to cost $6 billion, and today it is going to cost $12 billion. The cost of the Alsands project has gone from something like $4.5 billion to $11 billion. Here we are, still arguing about whether they should get $43 a barrel. It is crazy. In any event, I and most authorities do not think there is a chance in the world that we will have any oil sands production by 1990. If this is the case, we will not be experiencing a shortfall of 330,000 barrels a day but rather one of 740,000 barrels a day.

• (1540)

To put some numbers to that, the Canadian Petroleum Association estimates that the cost of these additional imports due to the National Energy Program will be $180 billion. That is a staggering figure. It is twelve times the current fiscal deficit. It is two-thirds of our gross national product today. That is what it will cost over the next ten years, and it will increase our total import needs to the staggering sum of $270 billion.

I am trying to bring a point home here; I am not trying to exaggerate. This is what knowledgeable people are telling us, and the government will not listen. It is all wrapped up in its interventionist and control philosophy. It does not want to look at the economic realities of this country. It does not want to deal with the fiscal deficit. It does not want to deal with interest rates, as I have said before. But I say I do not think this nation can stand payments of the magnitude of $270 billion without incurring at least serious long-term damage.

The Canadian economy is under severe strain. Productivity has been declining for the last two years, and much of our manufacturing industry is no longer competitive. Canada at this time desperately needs at least one healthy and vigorous industry which can get us moving and can move us ahead in the right direction to fill the gap and to put us in a competitive position where we can sell our products abroad. However, the National Energy Program is wrecking an industry which could provide that growth and could improve the standard of living of every Canadian over the next ten years.

I am not asking for something because I belong to the oil industry or because I am from Calgary South. I am saying that, given an opportunity, that industry can improve the standard of living of every Canadian.

The damage done by the National Energy Program to other sectors of the economy today is difficult to measure. I referred to 60,000 jobs, but there is no question that the National

Energy Program has seriously hurt the oil-servicing industry, and it is just beginning to have an impact on eastern manufacturing concerns. How can a government so callously sacrifice the jobs of Canadians for the sake of its interventionist policies? That is what really gets to me. At a time when Canadians are losing their homes and businesses by the thousands we see a government transfixed in its pursuit of a socialist philosophy which has failed in every country where it has been tried. I say this is tantamount to criminal negligence.

In conclusion, I suppose it is only fair to say that in 1975 the Prime Minister (Mr. Trudeau) told us the way things will be. He said we have not been able to make the free market system work; the government will have to take a larger role in running institutions; that means there is going to be not less authority in our lives but more.

Mr. Deputy Speaker: Order. It being 3.45 p.m., it is my duty to interrupt the proceedings pursuant to the order made Tuesday, June 9, 1981 and put forthwith every question necessary to dispose of the third reading and passage stage of the bill.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: I understand there is agreement among the parties that the recorded division be deferred until 9.45 p.m. on Monday, June 22, 1981. Is that agreed?

Mr. Baker (Nepean-Carleton): That is agreed, Mr. Speaker. That is the essence of the agreement.

Mr. Knowles: Agreed.

Mr. Deputy Speaker: It is so ordered.

It being 4 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions and private bills.

Human Rights

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Orders Nos. 18, 22, 25, 29, 31, 32, 34, 36 and 41 stood by unanimous consent.

HUMAN RIGHTS

PROHIBITION OF DISCRIMINATION ON GROUNDS OF SEXUAL ORIENTATION

Miss Pat Carney (Vancouver Centre) moved that Bill C-242, to prohibit discrimination on grounds of sexual orientation, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

She said: Mr. Speaker, I rise today to move that Bill C-242 be read the second time and sent to committee. The explanatory note in Bill C-242 points out that the 1979 annual report of the Canadian Human Rights Commission recommended to Parliament that, and I quote:

—sexual orientation be added to the proscribed grounds of discrimination under the Canadian Human Rights Act.

The purpose of this bill is to implement that recommendation and to extend the same principle to all areas of federal activity by making the appropriate amendments to the Canadian Bill of Rights and the Criminal Code.

I should add that following this report, Mr. Fairweather, the chairman of the commission, appeared before the constitutional committee to urge that protection from discrimination be extended to all Canadians, regardless of sexual orientation.

My purpose in presenting this bill is to help ensure that a minority group, which is estimated to number about two million people in Canada, has the same access to employment opportunities, to housing and to public services as do their fellow Canadians.

I am aware that the issue of sexual orientation is not a high priority for the majority of Canadians at the present time. It does not rate in the public mind with inflation, high interest rates and the restructuring of Confederation to give some provinces more rights than others, but it has become an important issue to those Canadians who are concerned about human rights, and since it deals with a phase of human rights which most Canadians ignore, I would like to tell the House how my own interest in the subject came about.

Before I ran as a candidate in the last two elections in Vancouver Centre, I had very little interest in the homosexual community and no awareness of the extent of the discrimination against this minority group. My attitude, if I thought about the issue at all, was a mild sympathy that these unfortunate individuals were not heterosexual. I believe that this attitude is common among those Canadians who consider themselves to be moderate, tolerant citizens.

• (1550)

However, during my campaign I came to know members of the homosexual community in my riding and became aware of

some of the very real discrimination they face. When he was prime minister, the leader of our party, the hon. member for Yellowhead (Mr. Clark), asked me to develop a policy position on the issue of homosexual rights. After my election in 1980, I formed a Human Rights Advisory Council with representatives of the homosexual community to help meet my campaign promise to introduce a private member's bill to prohibit discrimination on the grounds of sexual orientation. Given the dismal failure record of private member's bills, our objective was, and always has been, to have the subject matter of this bill sent to committee so that the homosexual community across Canada can share with their fellow Canadians some of their experiences, frustrations and hurts before a three-party parliamentary committee so that this issue could be fully aired by all who have an interest in it.

I want to use my time today to share with you some of the things I have learned on this issue as the MP for Vancouver Centre, which has a large homosexual population. First, I learned that minority problems that have been highlighted recently in the press, for example, police raids and so-called gay-bashing, are not reflective of the majority of homosexuals who are neither criminal nor outcasts of society and who feel they deserve the protection of the law.

The second thing I learned was that several of my friends and colleagues were members of the homosexual community, a fact previously unknown to me since the issue had never arisen. One environmentalist was known to me as professionally very competent before I was aware he was homosexual, and the quality of his work has not diminished in my view on learning of his sexual orientation. I still rely heavily on one of my public relations advisers because of the excellent quality of the advice offered, and not just on this issue. A doctor friend of mine who told me he was bisexual remains, in my eyes, a loving, caring person. An acquaintance that I disliked before I learned of his sexual orientation, I still dislike to this day. I make the point, Mr. Speaker, that the majority of Canadians probably do not care about the sexual orientation of their friends or colleagues. They may have concerns as parents, as landlords, or as employers, but within their own family and friends they are relatively indifferent to it. It is only when we become personally aware of the discrimination that this minority faces that we become concerned. Let me give you some examples.

In my first year as an MP, two young men came to see me to tell me that they had been stopped at the U.S.-Canada border and turned back because in their luggage was the address of a homosexual club in Seattle. They were not concerned about being refused entry to the U.S., but they wanted me to have their names removed from the U.S. immigration's computer. I could not believe that two young Canadians without criminal records, contributors to their community, would be banned from the U.S. because they were suspected of being homosexual. But in checking with the U.S. consul's office in Vancouver I found that this, indeed, is the case. The U.S. does not allow suspected homosexuals to enter the country. It is reassuring to know that Canada changed its attitude on this issue in the 1967 Immigration Act which removed the barrier to homosexuals seeking entry to Canada.

In another case a young man told me that he had been compulsorily released from the Canadian Armed Forces without any opportunity to have access to the nature of the information which led to his dismissal. Instead, he was visited by two military police, taken to a Holiday Inn and interrogated by another military policeman for some time. At the end of the interrogation he was told that although there was no breach of security involved, he would have to resign his commission because he was a homosexual. My constituent emphatically denied that he was a homosexual and said there were no grounds whatsoever to the allegation. The file shows that the military police told my constituent that he was not to discuss the interrogation with anyone whatsoever. He later found that his telephone had been wiretapped.

It stretches ones' credibility to believe that in this country a Canadian citizen can be picked up by the military police, have his phone tapped, be interrogated and dismissed without any access to the information on which the dismissal was based. I would like to add that this man's professional record was deemed excellent by his commanding officers. I will call him Captain X, because he wants his privacy respected. One superior wrote:

> Captain X has earned the respect of my staff by his professional attitude towards the completion of his responsibilities. This in turn has revealed him to be a dedicated officer with good perception and excellent potential.

Another commanding officer wrote:

> Captain X's service was outstanding.

Another wrote:

> Captain X's performance was excellent, he was a definite asset on this exercise and his participation was appreciated.

This man is now in the civilian labour force looking for a job, wondering with considerable anxiety if the unknown allegations on his military record will prevent him from getting a job in his profession. I cannot convey to you the extent of his anxiety and his desire to clear his record so that he can be a functioning member of our society.

Still another constituent of mine, whom I recommended for his job, recently told me he had resigned because the company for which he worked did not appear to realize that he had a long term, stable homosexual relationship, and he was in daily apprehension of being fired when his employers became aware of the fact. Now his fears may be unfounded. He passed his company's security test and quite possibly the company took the legitimate view that his homosexuality was not a company concern, provided his work was good. But he could not stand the suspense of living in this shadow world.

Members of this House will probably be aware of the case of John Damien who was fired in 1975 from his position as a racing steward with the Ontario Racing Commission, a job he had held for five years, because he was homosexual, even though his employers admitted that he had performed his job well.

These constituents of mine, Mr. Speaker, do not want special rights. I do not like the term gay rights, because it assumes that the homosexual community wants something extra. That is not correct. What they want is protection, tolerance and the human rights enjoyed by other Canadians. The whole basis of human rights legislation is that society should respect the diversity within it.

As George Hislop, a member of one of the homosexual associations, told the Constitution Committee in December:

> We are not asking for more, we are asking for the same. We are asking for the right to be able to say, without fear, I am not heterosexual.

I think it is important to bring forward the fact that we really do not know how one's sexual orientation is determined. It is believed to be a combination of a variety of elements, biological, social, environmental. But we have reason to believe that once sexual orientation becomes part of one's basic personality, it cannot be easily changed. Nor can it be contracted, like measles. Freud, the father of psychoanalytical theory, wrote:

> It is assuredly no advantage, but it is nothing to be ashamed of, no vice, no degradation; it cannot be classified as an illness; we consider it to be a variation of the sexual function ... many highly respectable individuals of ancient and modern times have been homosexuals ... it is a great injustice to persecute homosexuality as a crime and a cruelty too—

There are some people in Canada who view the issue of homosexuality as morally reprehensible. They are, of course, entitled to their view, but I do not believe that is the majority of feeling among Canadians. A Gallup poll conducted in June, 1977, suggests that 52 per cent of Canadians polled supported the extension of civil rights to homosexuals, while only 30 per cent were opposed. This was a statistically small sample, and possibly a more impressive measure of the prevailing attitudes is the long list of religious and secular organizations that have gone on record as opposing discrimination on the basis of sexual orientation. They include the Anglican and United Churches and, the government of Quebec which in December 1967 amended its charter of rights and freedoms to include sexual orientation as an unfounded motive for discrimination. In addition to the Canadian Human Rights Commission, provincial human rights commissions in four provinces, Alberta, British Columbia, Saskatchewan and Ontario, have recommended that the human rights legislation be so amended.

Despite this measure of support, there are some very real concerns voiced by many Canadians about extending human rights to homosexuals. One concern is the teaching of young children by homosexuals. But, Mr. Speaker, the issue here is morality, not homosexuality. As Mr. Hislop said before the Constitution Committee:

> We are not asking anyone be given a hunting licence to prey on anyone else. We have a Criminal Code to protect people from unwanted, unsolicited sexual advances.

● (1600)

As a parent I am much more concerned about the fact that under our existing Canadian law there is no adequate protection for children from sexual exploitation by adults, heterosexual or homosexual. I am hoping that Bill C-53 which is before the House of Commons will give legal protection to young children from sexual advances by any adult. As a mother of two children I worry far more about whether my children pass their grades, whether they drink or smoke pot, whether any of us will survive their adolescence, or whether they will smash themselves in a car accident. The issue of their exposure to homosexual teachers is not on the top of my list of concerns.

I should add that the hon. member for Rosedale (Mr. Crombie) and other colleagues, such as the hon. member for Edmonton-Strathcona (Mr. Kilgour), are not wedded to this bill. There may well be other alternatives. The hon. member for Rosedale suggested that possibly the protection of homosexuals from harassment and discrimination might be dealt with separately in human rights legislation, rather than being added to the proscribed list. These are the concerns and issues which must be faced. These are arguments which are best dealt with before a three-party parliamentary committee which could hear both sides of these issues.

In summary I should like to quote the words of our colleague in the Ontario legislature, Sheila Copps, who proposed an amendment on May 15, 1981 which would include anti-discrimination in this area. Because of time I will abridge her remarks. She said:

> I do not ask you to wear a turban to allow free expression of various religious beliefs in our province. I do not ask you to live in a wheelchair to understand that the disabled must get a fighting chance at jobs and accommodations in our province. I do not ask you to condone a sexual orientation different from your own. I ask you to consider that if we are to survive as a free nation we must cast aside all differences in guaranteeing freedom from discrimination.

That freedom from discrimination for all Canadians is the basis of the bill before the House today.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, first and foremost I commend the hon. member for Vancouver Centre (Miss Carney) for presenting this particular bill and endeavouring to see to it that at least the subject matter of the bill, if we cannot agree with the clauses in it or the format in which it has been drawn, is dealt with by the committee.

In this day and age despite the 52 per cent figure she quoted, although admittedly from a small poll, it takes a great deal of courage to raise an issue such as this. As she said, in the minds of some people it is considered to be morally reprehensible. I do not share that view. I share with the hon. member the view on the right of these people to have the same rights, nothing additional, as are available to all Canadians.

I had a similar experience to that of the hon. member for Vancouver Centre. I really did not give too much thought to the situation. Probably I was as guilty as the next person in telling homosexual or gay jokes, making fun of the limp wrist or the way we thought they talked; in any event, the stereotype. When I was practising law, an individual came to see me. He had been thrown out of his own home. He had gone to his church in the interest of receiving some guidance or help. He was mildly rebuked and in effect told almost the same thing he had heard from his parents—"Let us get you to a psychiatrist or a doctor; let us get this disease or sickness cured". He attempted to obtain a job, to be forthright and honest and to

come out of the closet, but no one would touch this individual. I spoke with him as a lawyer; he wanted to know his particular rights. I looked up the legislation and indicated that he did not have the same rights as I. Subsequently, that individual committed suicide.

I felt a heavy onus because I was unable to help him. He did not want anything extra. He simply wanted to be accepted and to have the same rights and benefits which I as a heterosexual enjoyed in the community. He was looking for guidance and help from his family which, unhappily, turned him down. Then he turned to his church for assistance, and again he was turned down. He did not really know where to go for help other than to do what his family told him—"Go to see a doctor and get this sickness cured". Of course the doctor told him what he had already known. But he was prepared to follow the advice of his parents, and subsequently met his tragic end.

Within almost a week a similar type of representation was made to me, and that individual is now dead. Although he was killed in a car accident while driving alone, no one can really say whether or not the individual killed himself. On the basis of the way in which he conducted himself while in my office, there is strong evidence to the effect that that is exactly what happened because society was not prepared to accept his particular sexual orientation.

I remember as a child that we used to have names for people who came from foreign countries and could not speak our language. We called them "DPs" and we looked down upon them. It seemed to me that mental midgets in that day and age, as in this day and age, needed someone to look down on or to take advantage of, at least in their perception. There was a tendency to make jokes about people who spoke broken English. Quite often it was a fellow French Canadian who attempted to speak the English language or an English Canadian who fractured the French language. There was a tendency to show discrimination.

Even today it is a sad commentary on great stars such as Johnny Carson and Carol Burnett that they see fit to participate in discrimination by performing skits which hold old people up to ridicule. Someone must get to those people who are, after all, leaders in the cultural field to explain to them that such jokes are just not funny any longer. Hopefully we can change the thinking of people to accept other people for being different yet equal. In many cases we know the strength of the handicapped person.

I think the hon. Leader of the New Democratic Party (Mr. Broadbent) read a splendid article by Miss Green which appeared in the report of the task force on the handicapped. She spelled out the strength of the handicapped person and the hurdles they have to overcome. In her article she indicated the things that she could not do, as well as her toughness. Unhappily this is not the case with many people who are too old, who speak languages differently from others, who are handicapped, of different colours or sexual orientation. They do not have the strength they need to help them overcome the hurdle of the mental midget in Canadian society. Until we can change that situation, until we can change the thinking of people, a change in the law will not do it.

In my view implementation of this bill would certainly be a giant step forward. I commend the Canadian Human Rights Commission and its chairman for leadership in this field. After all, it is a field about which it is easy to make jokes. It is easy to taint people with a particular image such as "the protector of", etc. If we do not show the leadership of the hon. member for Vancouver Centre and of Sheila Copps in the provincial legislature, we will not be accepting our responsibilities.

In my view it is very easy for a government to take action to help people who are handicapped, blind, deaf or mentally retarded. Various steps have been taken at provincial and federal levels of government in the interests not so much of protecting people but of giving them the same rights you and I enjoy.

Bill C-242 is an act to prohibit discrimination on grounds of sexual orientation which the hon. member for Vancouver Centre is sponsoring. It would ensure, by amending the Canadian Human Rights Act, that individuals would not be discriminated against on grounds of sexual orientation in matters of employment, in the provision of goods, services, facilities or accommodation customarily available to the general public, and in the provision of commercial premises or residential accommodation. As the hon. member said so eloquently, it is not asking for more; it is just asking for the same treatment.

I do not think there is any question in anyone's mind that the present government is known for its concern about human rights. The mere establishment of the Canadian Human Rights Commission and other government actions are evidence of this. Proof of this can be seen in the proposed charter of rights and freedoms which the government hopes to see incorporated in the Constitution. However, it is too simple to equate a government's concern over human rights with legislative initiative. Although no one can honestly gainsay the government's legislation record in the area of human rights protection, the various programs designed to enhance human rights and carried out under its auspices, cannot be ignored.

• (1610)

I would like to refer to various programs carried out in the public service. In this respect reference can be made to the efforts undertaken to increase the participation of certain groups at various levels within the public service. One of the most disadvantaged groups in Canada is that of the handicapped. To facilitate their access to the public service the Public Service Commission has acted, in co-operation with other government agencies, to remove some of the existing difficulties, if not outright barriers, facing them in the areas of recruitment, selection and advancement.

It was interesting to hear the hon. member for Vancouver Centre comment on the situation of the homosexual who may or may not have been a homosexual but who at least had documentation in his luggage indicating the site of a gay bar in a city in the United States. We do not practise that kind of

discrimination in our immigration laws. I found it incredible that in the old immigration act there was a provision that an individual who was epileptic was considered by some to be mentally deficient or to have something terribly wrong or terribly catching. In our immigration law there was still a prohibition against someone coming into the country who suffered from epilepsy. Happily that provision was ignored by most officers in the field and officers at the border. They, in effect, were breaking the law by allowing these people to enter. Fortunately, we were in a position to change that law. We must change the thinking of Canadians. As recently as the second last immigration act we had that kind of provision in our legislation. So we cannot say that we are Simon Pure in this particular area. Much remains to be done.

Native people are another disadvantaged group. In order to give effect to a statement made in 1971 by the Prime Minister (Mr. Trudeau) that the government would assist all cultural groups to overcome barriers to full participation in society, the commission has devoted a considerable amount of attention and effort toward increasing the amount of native participation in the public service. Similarly, the commission has sought, in line with a government commitment, to foster the employment and advancement of women in the federal public service.

The commission is also aware that groups might be disadvantaged on a regional basis. In 1973 the black employment program was set up in the Atlantic region. This began a long term effort to reduce the historically rooted disadvantages of the black community in Nova Scotia.

I mention these efforts, Mr. Speaker, to indicate that probably there is more genuine support and sympathy for that kind of change in our legislation than there will be for the kind of legislation and ideas proposed by the hon. member for Vancouver Centre today. I commend her for raising this subject. It is a delicate and difficult one, but it is one which must be aired in the House of Commons if we are really to do our duty as members of Parliament.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to support the bill presently before the House and to commend the hon. member for Vancouver Centre (Miss Carney) for her initiative in introducing this important bill, as well as to commend the hon. member for Edmonton-Strathcona (Mr. Kilgour).

I hope to be not too long, because, of course, I have no intention of taking part in any attempt to talk this bill out. Naturally, I commend the hon. member for Sarnia-Lambton (Mr. Cullen) on his remarks. I will be looking with great interest at the response of Liberal members opposite to ensure they put their money where their mouths are and that they do not talk this important bill out. If they are serious about the principles underlying this bill, even though they may have different views in terms of the specific details of it, I know they would not for a moment seriously consider talking this bill out. I know that at the very least they would want to see the subject matter of this bill referred to the Standing Committee on Justice and Legal Affairs.

As has been pointed out by the previous speakers, this is a subject which has been addressed by the Canadian Human Rights Commission in its last two annual reports, those of 1979 and 1980. The Canadian Human Rights Commission recommended that all legislation at the federal level in Canada should prohibit any discrimination on the grounds of sexual orientation. This was not a recommendation which was made just on the spur of the moment. In fact, it was a very detailed study which was conducted before this recommendation was made.

Why was it felt that this particular subject should be considered? In 1978, the Prime Minister (Mr. Trudeau), in response to a letter from a gentleman who was active in the gay community in Ottawa, stated that this was a subject which should be discussed before it was included within the context of the Canadian human rights act. He indicated he believed that the appropriate means of dealing with this issue was to have the Canadian Human Rights Commission study the question and, following that, the commission could make recommendations for government action. I would like to quote from a letter which the Prime Minister wrote in February, 1978. He said that it was necessary that there be "further comprehensive examination of the problems which might be involved. It is for these reasons that the Minister of Justice has proposed that the question be examined by the Canadian Human Rights Commission which could then make recommendations for further government action".

That study was completed, of course, and the Canadian Human Rights Commission made its recommendations on two separate occasions. They have been met with silence. No action has been taken by this government to implement that very important, very basic recommendation.

What is the purpose of the bill before the House this afternoon? Essentially, as the title indicates, it seeks to prohibit discrimination on grounds of sexual orientation wherever that might occur within the federal jurisdiction in Canada. I noted with some interest, Mr. Speaker, that the first clause of the bill would seek to amend the Canadian Bill of Rights to prohibit discrimination in the bill on the grounds of sexual orientation. There was an opportunity for the Conservative party and the Liberal party, if they were serious about including prohibition of discrimination on the grounds of sexual orientation, to act. That opportunity came when, at the constitutional I moved committee hearings on behalf of the New Democratic Party, I moved an amendment which would have prohibited discrimination on the grounds of sexual orientation in clause 15 of the charter of fundamental rights and freedoms. That would not have applied just at the federal level but, of course, would have applied at all levels—federal, provincial and municipal.

What was the response of the Conservative party and the Liberal party to my amendment? The vote was 22 to 2 against the amendment. While I commend the hon. member for Vancouver Centre for her personal initiative in introducing this bill before the House today, I must say that I wish her

party had taken that position when they had an opportunity to vote on this proposition before the constitutional committee.

What was the response of the constitutional spokesperson for the Conservative party when this issue was raised? I should perhaps quote what he said. He said that he did not believe we should go too far where we want to hang every barnacle and every eavestrough and every coat of paint on a charter of rights. In voting against this amendment, which would have included sexual orientation in the charter of rights, the constitutional spokesperson for the Conservative party suggested we were dealing here with barnacles and eavestroughs.

We are dealing, of course, with fundamental human rights. Surely that is the issue before the House today. It is a question of basic human rights. Can a person who is of a different sexual orientation be arbitrarily fired from his or her job with no recourse? Can he or she be removed from their place of residence with no recourse whatsoever? Can he or she be denied access to services or goods, access which is afforded to all other Canadians, solely on the basis of their sexual orientation? That is the purpose of this bill as I understand it.

As I have said, I welcome the proposed amendment to the Canadian Bill of Rights. However, I regret that this sentiment was not supported by the Conservative party and by the Liberal party when they had an opportunity to do so in the course of the debates on the Constitution of Canada.

The other amendments in the bill relate to the Canadian human rights act and would include a prohibition of discrimination on the basis of sexual orientation in the Canada human rights act itself. Once again, we certainly welcome that provision. The final sections of the bill referred to prohibition of discrimination in the Criminal Code itself. They would repeal sections 155, 156, 157 and 158 of the Criminal Code, and would also include within the hate propaganda section of the Criminal Code a prohibition of hate propaganda on the basis of sexual orientation.

● (1620)

I note in passing, and I am sure that it was an oversight on the part of the hon. member for Vancouver Centre, that in repealing section 155 of the Criminal Code, she would also repeal the offence of bestiality. I am not quite sure that that was the intent of the hon. member, but that is certainly the type of technical detail which could be examined by the committee if the subject matter of this bill were to be considered by the committee, as I certainly hope it will be.

I have referred to the Criminal Code, and there are a number of provisions in that code which I believe should be considered. One of the provisions which the hon. member has not addressed is the section of the Criminal Code relating to bawdy houses. We all know the recent history of the raid in Toronto by some 200 policemen, armed with crowbars and sledge hammers, into a number of bath houses there. We know of the agony which that must have caused, not only to the 330 men who were involved but also, of course, to their families and friends. What was their offence? There was no suggestion of any prostitution or of any payment of money. There was no suggestion of the involvement of juveniles. Their offence was engaging, behind closed doors, in an act which is legal. Certainly, in this day and age, people should not be subjected to that kind of harassment and intimidation for something like that. That kind of raid, and a law which would tolerate that kind of a raid, a raid which has been referred to as bully-boy tactics by at least *The Globe and Mail* in its editorial, should certainly be addressed in any consideration of the Criminal Code changes which should take place in that area.

There are a number of other changes as well. I mentioned the hate propaganda provisions in the bill, and those are good provisions. We welcome them. As we know, there are certain forces in this country which we have seen operating, particularly in the recent municipal election in Toronto, which would deny the right of gay men and lesbian women to exist. What can the impact be? What might the impact be on a young person living at home who perhaps receives one of these scurrilous leaflets which suggests that such people have no right to exist? Surely, in a society which is tolerant and which believes in civil liberties and human rights, young people should not have to grow up being afraid to even express their own sexual identities. Of course, that is the way it stands now. A bill such as this cannot change attitudes; but what it can do is to ensure that there is no discrimination on the basis of sexual orientation at any level in the federal government.

What are some of the areas which are covered by this bill? One of the areas which would be covered would be the Canadian army. I was recently approached by a young woman who was a private in the Canadian army, based at Canadian Forces Base Borden. She indicated that she was subjected to tyranny—I use that word advisedly—when it was suspected that she might be a lesbian. In fact, as it turns out, although of course it is really irrelevant, she was not a lesbian. However, what was done in these circumstances was to harass her, was to take her in and subject her to interrogation by the security police, by military police, without any form of charge; to go to her friends, to go to her boyfriend, to visit her neighbours and to suggest that, in fact, this girl was not worthy of continuing in the Canadian Armed Forces.

What is the policy of the Canadian Armed Forces? They say that homosexuals and lesbians must not be permitted in the Canadian Armed Forces. Why is it? I quote the following from a letter from former Admiral Falls, which Admiral Withers has adopted as his policy:

> Because in such a milieu persons having unusual behavioural traits may attempt to inflict them upon others, there is only one method of assuring our servicemen and women that their rights will be respected: by denying employment to homosexuals.

Of course, if there is a particular behavioural trait which is inflicted upon another person, that is a criminal offence; but to deny men and women the right to serve in Canadian Armed Forces merely because of their sexual orientation must surely be wrong.

There was one other excuse which was given by Admiral Falls. He stated:

As a matter of fact, experience has shown that the presence of homosexuals can be most disruptive. Such disruption often takes the form of physical attacks on the homosexual(s) concerned, and it is possible to prevent this sort of thing only by avoiding the employment of homosexuals in the first place.

Where have we heard those arguments before? We have heard them with respect to blacks and with respect to other minorities. We would like to employ them, but they are not very popular and they might be hurt. That kind of reasoning must be rejected. That is one of the purposes of this bill.

There are other provisions in the bill as well. I will not go into them in detail. However, we certainly know, as has been pointed out by other hon. members, that the Quebec human rights act has been amended, and I believe it was in 1977, to ensure that at the provincial level there will be no discrimination in that province on the basis of sexual orientation. Therefore, what we are talking about here is a fundamental question of human rights, of the right to live and the right to love without fear of persecution, without fear of discrimination, without fear of the loss of one's job, one's livelihood or one's home and without fear of being denied access to goods and services. We are talking about the right of young people in Canada, for example, not to be afraid, not to have to be silent, and not to have to conceal their own identities. We are talking about a fundamental question of basic civil liberties.

As I say, I commend the hon. member for Vancouver Centre in taking this important initiative. I welcome the support of the hon. member for Sarnia-Lambton. I can assure the House that certainly all members of this caucus will support this initiative. I await with interest the response of the Liberal party to the suggestion that this particular bill or, at the very least, the subject matter of this bill, should be studied by the Committee on Justice and Legal Affairs, because if they talk this bill out, what they will be saying is that persons who are discriminated against on the basis of sexual orientation deserve no protection whatsoever. I challenge them to send out that message to the people of Canada.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I too would like to commend very sincerely the hon. member for Vancouver Centre (Miss Carney) for airing this extremely important issue in the House of Commons, and particularly for her wisdom in framing it under the human rights legislation because, in fact, what we are talking about is a question of fundamental human rights. However, to many the question of homosexuality is a moral one. In the last seven years in which I have been in this House, I have noticed an increasing tendency on the part of some sectors to seek legislative solutions to what are essentially moral dilemmas. I do not for one moment advocate or even imply that there should be total separation between the moral and the legislative process. Indeed, I believe the legislator or the politician, if you will, can have a prophetic role to play in fostering the moral health of society.

The point I am trying to make is that surely the most basic of all moral tenets is to do unto others what you, yourself, would wish to be done unto you. Yet this most basic of all moral tenets is not being upheld, particularly as it regards the homosexual community.

There is a growing feeling that "wrong" must be punished even before that wrong has been properly defined or even proven. In such cases, one must fear for the very existence of justice. Bill C-242 is before the House simply because a certain segment of our community needs to be protected against discriminatory practices. Mention is made of employment from which this segment can be and, indeed, very often is, precluded because of its sexual preferences. I find it sad and passing strange that in an age of cultural, social and scientific enlightenment, this question even needs to be debated in the House at this time.

• (1630)

Let us consider what has happened in the past. We can ask ourselves, if Pope Julius II had given credence to the rumours and conjecture surrounding the sexual preferences of Michelangelo and had prohibited Michelangelo from working, would the whole world not be the poorer for lack of the Sistine Chapel.

I might even ask myself if the Dominican priests, who have never in history been known for great liberalism, had denied access to the Church of Santa Maria Delle Grazie in Milan, would all of us now be denied the beauties of the Last Supper by Da Vinci.

I have before me a list prepared by researchers of the U.S. National Gay Task Force, supplemented by the almanac of researchers which includes names of celebrated persons who were both homosexual and heterosexual; in short, bisexual. I shall refer to only a few of these people, Mr. Speaker. What would have happened to society if they had not been allowed to work because of their sexual preferences? Would we have been denied the poetry of Sappho and of Emily Dickinson? When we speak of homosexuality, we must also include the females, the lesbians. We would have been denied the powerful and innovative writing of Gertrude Stein and Virginia Woolfe; the philosophy of Socrates and of Aristotle; the military achievements of Alexander the Great and of Richard the Lion Heart; the statesmanship of Queen Christina and of Frederick the Great. Our children would have been denied the fantasy and sheer beauty of Hans Christian Andersen, not to mention the wit of Oscar Wilde. This is just a short list of what we would have been denied if our ancestors had been only as "enlightened" as we think we are today.

Let me stretch this point to a consideration of the nature of homosexuality. The article I now cite appeared in the *Toronto Star* on February 17, 1981, following a week of often devastating criticism levelled at the homosexual community in my own city. It was written by Joan Sutton and is entitled "Taking a Good Look at Homosexuals". I should like to read this into the record in the hope that it will help change some of the attitudes now all too prevalent in our society. It reads as follows:

What is a homosexual?

Human Rights

To many people in Toronto, a homosexual is someone to hate, someone to ridicule, someone to ostracize, someone to push around, someone who should not be allowed to even live in this city.

I am always puzzled by any kind of group labelling, be it of Jews or black or homosexuals. I have known many homosexuals over the years. Some of them I liked, some I didn't. But the liking or the disliking had everything to do with what kind of people they were, and nothing to do with their sexual preference, which is none of my business.

I suspect that most dislike of homosexuals is based in ignorance or fear, so I asked Ron Longevin, a research psychologist at the Clarke Institute, to answer some questions. Longevin is involved in a program that is examining the origin and nature of homosexuality.

He says, "We are still several years away from having all the answers. We cannot tell you for sure what makes someone become a homosexual, but we can tell you what does not.

It has nothing to do with having a dominant mother and a Milquetoast father, as is popularly believed. That may be true of some homosexuals who turn up in psychiatric clinics, but it is also true of some heterosexuals in the same situation."

Longevin is convinced that when research is completed, it will prove that homosexuality is linked to brain waves, blood chemistry, and hormones.

He says, "Homosexuality is not a matter of choice, and it is important for the public to understand that. People think that it should be easy for someone to change a sexual preference pattern but it is not. The true homosexual cannot change his erotic preference—I have yet to see a case where, no matter what was tried, there was any true change."

Longevin says there is no way that a person can be seduced into a life of homosexuality. "We have to differentiate between isolated homosexual behavior, and having a fixed preference for one's own sex. There is an important difference.

"According to the Kinsey studies, about 25 per cent of the population has had a homosexual experience at one time or another. It's common among boys in school, or jail, or other situations where men are separated from women for a long period of time. But once those men go back to a normal life, where women are available, their real preference for heterosexual sex prevails.

"About 4 per cent of men, however, have a fixed sexual preference for their own sex. The percentage in women is still unknown. That preference cannot be created, and it cannot be taken away."

Longevin says "Homosexuals fall in love in the same way the rest of us do. There is an idealization of the partner, and an emphasis on romance. And when a relationship ends, there is no difference between a broken-hearted homosexual and a broken-hearted heterosexual."

Because society has ostracized the homosexual community and tends to joke about its attempts to create stability and exchange public marriage vows, there is a tendency to promiscuity and one-night stands that leads to a higher incidence of venereal disease.

"Until homosexuality can be institutionalized, there can be no constraining norms. I suspect that the young heterosexual would also go from partner to partner, if there wasn't some expectation on the part of society to marry. When the homosexual gets older, he has a need for some stability, and he can be very lonely."

Longevin says the true homosexual usually feels revulsion about the idea of sex with a woman: "When he's a teenager, and begins to realize that he is gay, he may try very hard to date women to prove that he is not, but he will have an aversion to that. The married homosexual will have sex with his wife, but he doesn't enjoy it. It's a job, a chore that he compares to masturbation. Sometimes he gets through it by fantasizing about another man."

Accepting the inevitability of the sexual-preference pattern is essential to any true understanding of the homosexual community. Longevin says, "When I started out as a clinician, I had read all the theories, and I saw homosexuals as people who were sick. I soon discovered that they are just like the rest of the population—some of them are sick, some are normal. My perspective on the problem has changed completely.

"There is no one personality that is a homosexual. They include laborers, teachers, politicians, priests, some very fascinating people. Some of the greatest geniuses the world has known, including Leonardo da Vinci and Tchaikovsky were homosexuals. They have an important contribution as people to make to society and it is a shame to persecute them and alienate them."

Longevin wishes that we would see homosexuals as people rather than queers. "I suppose it is easier to want to destroy than to understand, but when we try to suppress homosexuality we only create rebels."

I can understand why some people might feel repulsed by the idea of homosexuality. But I am convinced that the hate and intolerance that was unleashed last week within the straight community poses a far more serious threat to the soul of Toronto. Labelling and hating groups can get to be a habit, and that could destroy this city.

The purpose of my intervention is not to condone homosexuality but to deplore, in the strongest possible terms, what amounts to a vicious hate campaign against those who are different from me. My purpose is to urge that the homosexual community be accorded the same rights and responsibilities as other members of our society.

● (1640)

Mr. Kilgour: Mr. Speaker, I believe this debate ends in approximately six minutes. Would the hon. member be candid enough to indicate that the real purpose of her talk is to talk this bill out because she and her party disagrees with it?

Mrs. Appolloni: Mr. Speaker, I think it is against the rules of the House to impute motives to any member. If the hon. member has something meaningful to add to this debate about the homosexual community, I would suggest that he get on with it instead of wasting his time and everybody else's by trying to impute motives to others.

Mr. Kilgour: Mr. Speaker, has the hon. member finished her speech?

Mr. Deputy Speaker: Yes.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, in the approximately five minutes remaining, I wish to speak in favour of the bill in the name of my colleague, the hon. member for Vancouver Centre (Miss Carney). I commend her for wishing to refer this bill to the Standing Committee on Justice and Legal Affairs so that the homosexual community can have a forum in which to discuss openly issues concerning themselves and to make a case for the protection of their rights like any other group of Canadians.

Before I get into some of the issues, and I know time is extremely short, may I say for the record that I was informed by a member of the Liberal caucus that the hon. member for Sarnia-Lambton (Mr. Cullen), the hon. member for York South-Weston (Mrs. Appolloni) and the hon. member for Scarborough Centre (Mr. Kelly) were here, either having volunteered or having been assigned, to talk out the bill. We have heard two members of the Liberal caucus—

Mr. Deputy Speaker: With all due respect to the hon. member, the rules of the House forbid the imputing of motives. This is the second time this matter has been brought to the attention of the hon. member. I suggest that the hon. member get on with his speech.

Mr. Kilgour: Mr. Speaker, it is not a question of imputing motives, it is simply a statement of fact with respect to two speakers, and we will soon see that it is the case for the third speaker, the hon. member for Scarborough Centre when he rises to speak on the bill.

We now have three minutes left. I believe the hon. member for Vancouver Centre has stated the case far better than I am capable of doing. I would simply like to move: that the subject matter of the question be referred to the justice committee for consideration.

However, I predict that the hon. member for Scarborough Centre will stand up when I sit down and finish the job begun by the other two members of his caucus.

Mr. Collenette: Mr. Speaker, I understood the hon. member would like to move that the subject matter be referred to the committee. But I think his motion, as it was read, was incomplete and inadmissible.

Mr. Robinson (Burnaby): Mr. Speaker, if the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) wishes to see the subject matter of this bill referred to the Standing Committee on Justice and Legal Affairs I am sure that unanimous consent would be accorded to frame that motion in the proper terminology, and the hon. member for Scarborough Centre (Mr. Kelly) would not want to impede that motion from being passed by talking out the bill.

Mr. Deputy Speaker: I call attention of hon. members to the fact that if hon. members wish to move a motion, they are at liberty to do so. The rules require that the motion be put in writing to the Chair. At this stage no hon. member appears to be observing the rules. Therefore, under the circumstances, the Chair recognizes the Parliamentary Secretary to the Minister of Supply and Services (Mr. Kelly).

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, it is my role this afternoon to offer a detailed technical analysis of a number of clauses of the hon. member's bill, specifically clauses 5 through 8. But before I do so, I would like to comment briefly on the challenge issued by the hon. member for Burnaby (Mr. Robinson) who said, as members of his party are often wont to do, that if we do not agree with their interpretation of this bill, it must mean we are against either the substance or the attitudes expressed in the bill. He reminded me of arguments that children often bring to bear in debate with people senior to them, that if you do not agree with me on this argument, then you do not love me.

I point out that there may be many areas of agreement between him and his party and myself and my party but it does not mean, because I do not vote in favour of this bill, that I do not share or sympathize with him in the larger areas. I do, and we do. This is a very complex bill.

Mr. Robinson (Burnaby): Send the subject matter to committee.

Mr. Kelly: For that reason, I want to look at a number of clauses and share with the House some of my personal feelings about the contents of those clauses.

The principle that the state has no business in the bedrooms or boudoirs of the nation is a valid principle. It is one with which I am sure all members of this House would agree and with which I think most of the public would agree. But as with all principles, there must be limiting conditions. For example, the limiting condition neglected by clauses 7 and 8 of Bill C-242 which, in effect, repeal the offence of gross indecency—

Mr. Deputy Speaker: Order, please. According to interpretations normally extended, private members hour has now expired at this point.

Mr. Knowles: Mr. Speaker, I rise on a point of order. In view of the interest in this debate and the several very good speeches that have been made, would there be unanimous consent for us to proceed until five o'clock?

Mr. Deputy Speaker: Is there unanimous consent to continue the sitting until five o'clock this afternoon?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There being no unanimous consent, this House stands adjourned until Monday next at two o'clock in the afternoon pursuant to Standing Order 2(1).

At 4.46 p.m. the House adjourned without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 22, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

RECORD RAINFALL IN LOWER MAINLAND OF BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the 1937 record of 258 millimetres of rainfall has now been surpassed in the lower mainland of British Columbia by a new record of 331 millimetres, which has caused severe problems for farmers in the Fraser Valley, as many fruit and vegetable farmers are unable to plant their crops, while others are having seeds rot or wash away, and recognizing the $81 million paid to grain farmers, subsidies to the textile industry, etc., I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That the Minister of Agriculture take immediate action to ease the plight of the Fraser Valley farmers who face a minimum $15 million loss and are in a disaster situation because of the record amount of rainfall.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FITNESS AND AMATEUR SPORT

FUNDING FOR NORTHERN GAMES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the Government of Canada expects to receive a whopping revenue from the resource development of the north, lands mostly occupied by native peoples, and whereas the funding of the Northern Games has been cut off because of ministerial disputes and miserly considerations, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House impress upon the Minister of Indian Affairs and Northern Development the fact that without funding the Northern Games will not take place and that this will be a grievous and not to be forgotten slap in the face by this Liberal government to Canada's native peoples.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

REGISTERED HOME OWNERSHIP SAVINGS PLAN—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, because of the rapidly rising costs of housing, and in view of the record high Liberal government induced inflationary rate, and whereas the tax exemption levels for the registered home ownership savings plan have not been increased since the plan originated for the 1974 taxation year, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House instruct the Minister of Finance to raise the levels that one may contribute to the registered home ownership savings plan on a prorated basis comparable to the rate of inflation since 1974.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

CONDEMNATION OF LOWERING OF UNITED STATES CLEAN AIR STANDARDS—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of very urgent and pressing necessity. In view of the fact that the United States Environmental Protection Agency has defended recommendations that the U.S. Clean Air Act be weakened to such an extent that individual states will be able to compete for the lowest possible air quality standards in order to attract acid rain polluting industries, and in view of the fact that these proposals are a sellout of the environmental heritage of Canadians and American and fly in the face of work being done to achieve a clean air treaty between Canada and the United States, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

S.O. 43

That this House severely censure Anne Gorsuch, the U.S. EPA administrator, and strongly urge the Minister of the Environment to communicate the outrage of this House and all Canadians at the attempt to scuttle the work of the Canadian and U.S. governments in their attempt to reach a treaty on the limitation of long-range trans-boundary air pollutants.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA DAY

PYROTECHNICS IN THE LAND OF THE MIDNIGHT SUN—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43 I would like to introduce the following motion. Whereas the Department of the Secretary of State has insisted on spending $83,000 of the taxpayers' money on a fireworks display at Yellowknife, and a similar amount in Whitehorse, to celebrate the ill-fated, ill-considered, and non-existent Trudeau Constitution; and whereas at the same time the government is cutting down on funding to sports events such as the Northern Games, to education, to public works, and needed programs to combat personal economic hardships caused by policies of the Liberal government, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House begs to advise the honourable the Secretary of State that there are better uses for his $83,000 and, secondly, that fireworks do not show up too well at mid-summer in the land of the midnight sun, and even Grits should know that.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

FISHERIES DISPUTE AT RESTIGOUCHE RESERVE, P.Q.—REFERRAL TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, under the provisions of Standing Order 43, and in view of the very serious situation which has developed on the Restigouche Indian reserve in Quebec, particularly as it concerns this government and the Minister of Indian Affairs and Northern Development (Mr. Munro), and in light of the urgent need for a mediated solution to this escalating fisheries dispute, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House immediately provide the Standing Committee on Indian Affairs and Northern Development with a reference to investigate the situation forthwith, travel if necessary to the reserve, and report its findings to this House.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

NATIONAL ENERGY PROGRAM

HOUSEHOLDER MAILING BY MR. BOCKSTAEL—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. A recent householder put out by the hon. member for St. Boniface (Mr. Bockstael) praised the National Energy Program as stimulating security, opportunity and fairness.

Some hon. Members: Hear, hear!

Mr. McKenzie: Whereas to date this policy has completely shut down Manitoba's 10,000 barrels per day oil production, driven hundreds of businesses out of Canada, forced Canadians to pay world prices for oil rather than buying it at $23 per barrel cheaper in Canada, and will cost a projected 60,000 Canadians their jobs, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Minister of Consumer and Corporate Affairs initiate an immediate investigation into the completely misleading nature of this publication which violates all accepted codes of honesty and objectivity, and also that the hon. member for St. Boniface re-examine the true meaning of the words security, opportunity and fairness.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

CALL FOR RAISING OF PREFERRED TAX RATE CEILING—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a small business matter I have discussed with representatives of all parties, for which I request unanimous support. Since the preferred tax rate ceiling for small businesses and the accompanying limit on retained earnings for small businesses were set in 1976 and ought to be adjusted now for inflation, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House urge the Minister of Finance to give consideration to raising the preferred tax rate ceiling and the accompanying retained earnings limit for Canadian small businesses.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CORPORATE AFFAIRS

PETRO-CANADA'S ACQUISITION OF PETROFINA—CALL FOR JUDICIAL INQUIRY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to underscore allegations which have arisen from the purchase of Petrofina by the federal government. There is strong evidence of handsome windfall profits to insiders who may have benefited from advance information. There is a report that 91 senior employees of Petrofina netted over $10 million in profits through a company stock option plan. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) is on record as promising an internal investigation. This is tantamount to placing the cookie monster in charge of investigating missing cookies. This is far too serious a matter for a departmental or ministerial whitewash. Therefore I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Prime Minister act immediately to commence a judicial inquiry into the allegations that insiders profited from the sale of Petrofina to the Government of Canada, with the Canadian taxpayer picking up the tab.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

BILINGUALISM

APPLICATION OF TWO OFFICIAL LANGUAGES POLICY IN OTTAWA—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I rise under the provisions of Standing Order 43 to request the unanimous consent of the House to introduce a motion concerning a matter of urgent and pressing necessity.

SECOR, a private firm commissioned by the federal government to compare the French presence in the private sector in Montreal to that in the federal public service, has concluded that in many major Montreal companies there is French and English parity at the communications level and that there is a higher proportion of French-speaking executives than in the federal public service. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this government finally implement, through its official languages policy, what it has been preaching for so many years and that federal departments with headquarters in Ottawa apply this policy which consists in operating in both official languages and offering better job opportunities to French-speaking executives.

Madam Speaker: Such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

MEASURES TO DEAL WITH INFLATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Finance. It concerns a letter which one of my constituents wrote him. It is a "Dear Allan" letter, asking for his suggestions on how Canadians should deal with inflation. My constituent, a single parent, asked the Minister of Finance:

Since I am now working at two jobs, seven days a week ... I would much appreciate your suggestions on how to tighten the belt that I cannot afford to buy.

She indicated that she buys her clothes at thrift stores, and that working seven days a week means there is not any recreation. She asked what other items she can do without, or how she can add some hours of work to earn a little more income.

Some hon. Members: Order!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has read from a letter. I will be glad to answer letters in the normal way. On orders of the day I do not intend to adopt a new practice of replying to letters. They should be dealt with in the normal way.

• (1415)

CONCERNS OF MEMBER'S CONSTITUENT

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also for the Minister of Finance. I am sorry he cannot be more explicit to my constituent, but I suppose his mind is still clouded by his attempts to explain to his OECD colleagues why our economic performance last year of 0.0 economic growth rate ranked twentieth out of 24 nations.

Since there is a great deal of national interest in the nature of the minister's advice, I would like to pursue the question raised by my constituent in her letter. She goes on:

When the owners of the apartment block in which I am living refinance their mortgage I expect my rent to go up quite significantly. Unless I can find some way to pay this increased rental, my daughter and I will have to leave the apartment, and believe me, in Vancouver there is no place to go.

Some hon. Members: Order.

Miss Carney: What measures is the minister prepared to introduce to deal with the concerns of my constituent?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I have already indicated, with respect to individuals who may be confronted with mortgage payments which are beyond their capacity, that the financial institutions would bend over backward to assist them over this particular situation.

Mr. Clark: This is a rental situation.

Mr. MacEachen: The hon. member has raised the question of rental accommodation. It is not my intention at the present time to introduce a new program, because of the financial circumstances of the government.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

INCREASE IN INTEREST RATES

Mr. Doug Lewis (Simcoe North): Madam Speaker, my supplementary question is directed to the Minister of Finance. On Saturday a young couple visited my office. In 1976 they bought an AHOP home with a 10 per cent CMHC mortgage. Financial assistance from the government brought the mortgage interest rate to 6 per cent. Last week CMHC graciously offered to renew the mortgage at 18 per cent. The monthly payments will leap from $174 per month to $444 per month. The minister has suggested that he has talked to the banks. I would ask him if he has talked to CMHC since it is the mortgagee in both cases. What does he expect a young couple to do without losing their home?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, it was in direct response to situations such as the one the hon. member has specifically referred to that the Canada Mortgage and Housing Corporation, with the assistance of the government last year, and again this year, introduced a program to protect people who might be faced with costs which were unreasonable, too high, or above the average which most Canadians are required to pay toward maintaining shelter needs.

In the case outlined by the hon. member, or in other cases where the amount of a person's income, or family income, required to meet shelter costs which go toward principal, interest and taxes that exceed 30 per cent of their income, the program provided for the government to continue its assistance to those needy couples. I hope that the specific case mentioned by the hon. member will be brought to the attention of the local officials of CMHC, to see if they qualify for aid.

* * *

● (1420)

BANKS AND BANKING

QUERY RESPECTING GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is addressed to the Minister of Finance. It is about the Minister of Agriculture who is on a crocodile tear tour across the country. He spoke in Nukko Lake, British Columbia a few days ago, and he said this:

—some serious work is being done about changing the banking system in this country.

He also said:

—the government will change the banking system if the chartered banks don't do something to help farmers.

My question to the Minister of Finance is this: who speaks for the government in matters affecting the banks, interest rates and fiscal and monetary policy? If it is still the Minister of Finance, did he authorize that statement of the Minister of Agriculture? Would the minister tell us if the government is seriously planning to change the banking system in this country? Would he tell us what it is the chartered banks are supposed to do to help farmers, particularly when the government's own bank is charging 21 per cent to 23 per cent on its loans? I wonder whether the minister would answer and clear this up because the Minister of Agriculture is usurping his position, or pretends to, across the country.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, a similar question was asked several days ago. I stated then, and I repeat now, that if there is any plan or any new announcement to be made about the banking system, it will be made in the normal way.

However, I want to tell the hon. member that we have already completed, just in this session, a revision of the Bank Act, which took several years. It is not my intention to reopen that act at the present time. That is a statement which I have already made, and which does not contradict in any way, as I read it, the comments made by the Minister of Agriculture which may have—

Mr. Clark: Except 100 per cent.

Mr. MacEachen: —which may have been erroneously reported. It sometimes happens.

Mr. Crosbie: Madam Speaker, the minister, then, is saying that the Minister of Agriculture was incorrect, if he did make these statements that the government plans changes in the banking system. The minister knows that the Minister of Agriculture is going around the country trying to pretend that the government is concerned about interest rates for farmers.

INCOME TAX

PARLIAMENTARY SECRETARY'S STATEMENT ON INDEXING

Hon. John C. Crosbie (St. John's West): In addition to the Minister of Agriculture, the minister's own parliamentary assistant has said, on the weekend, that the government is not seriously considering abolishing the indexing of income taxes in its October budget. He said the subject has never been regarded as a realistic option. The minister has said to this House, and his deputy has said to senate committees, that this was a serious option. Is the parliamentary secretary to the minister now setting government policy? Will the minister tell us is his parliamentary secretary correct, and that the minister is not seriously considering the abolition of indexing, and that it has never been regarded as a realistic option? Who is the minister? Or is the minister just a Deputy Prime Minister who is paying no attention at all to financial matters?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): It is obvious, Madam Speaker, that the hon. member is not paying very much attention to the accuracy of the comments he uses in his questions. I have a quotation from the parliamentary secretary, which is in quotation marks—

Mr. Nielsen: Source?

Mr. MacEachen: —and which reads as follows:

"I can tell you with total and complete honesty that I have not seen anything—

Some hon. Members: Oh, oh!

Mr. Clark: He is as dishonest as André Ouellet.

Mr. MacEachen: This is a quotation from the Montreal *Gazette* of Monday, June 22, 1981, attributed to the parliamentary secretary, which goes on to say:

—I have not seen anything that would lead me to believe that the government is seriously considering this at this time—

If that is not a very guarded statement, I do not know what is.

Some hon. Members: Hear, hear!

* * *

CANADIAN NATIONAL RAILWAYS

ALLEGED DISCRIMINATION AGAINST INDIAN AND METIS WORKERS AT OCHRE RIVER, MAN.

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question, in the absence of the Minister of Transport, is directed to the Minister of Labour. Considering the fact that a number of Indians and Metis in Manitoba are planning to blockade the CNR tracks outside Dauphin today because of alleged discrimination while working for the CNR, is the minister prepared to investigate independently the incident at Ochre River where 25 CNR extra-gang employees left their job due to discrimination?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for the question. I must quite honestly say to him, through Your Honour, that I am not aware of this incident, but that I certainly will make inquiries in relation to the department. The hon. member will quickly recognize that, if these are unionized employees, they have remedies under the collective agreement, and also of course under human rights. However, not having enough background, I am unable to say to the hon. member at this moment that I would have a formal investigation made. What I would undertake is to make inquiries immediately into the situation, and based upon the facts, as they are ascertained, take whatever action is appropriate.

● (1425)

ACTIONS OF RAILWAY FOREMAN

Mr. Laverne Lewycky (Dauphin): Madam Speaker, these are extra-gang employees who would not be unionized. However, my supplementary question is for the same minister. Indian and Métis employees on the extra-gang at Ochre River state that they were called "dogs and pigs" and that the CNR foreman carried a stick or club while making his rounds among the men while carrying out his investigation. Would the minister specifically address this issue of Indian harassment and the CNR's handling of this incident, with a mind to redressing the grievances that have been expressed?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member will note that the Minister of Indian Affairs and Northern Development is now also in the House. I will seek an opportunity (a) to discuss the issue with him, and (b), I would appreciate any further information that the hon. member is able to give me after question period. I will see to it that appropriate steps are taken.

* * *

INDIAN AFFAIRS

PROTECTION FOR MICMAC FISHERMEN ON RESTIGOUCHE RESERVE, P.Q.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development and it concerns the situation at Restigouche. The minister was asked on several occasions, as was the Prime Minister, to send aid to the Micmacs at the Restigouche reserve. He went down over the weekend and told them that he could not provide help to them in the form of protection, but that his very presence on the reserve offered protection. Now that he is not on the reserve, could he tell us what protection the Micmac Indians have at Restigouche at the present time?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I do not think the

hon. member's preamble is very accurate. What I said is that I could not afford protection of the kind that I think some people, in their justifiably concerned state, were asking for, in terms of more alarms and talk about guns, tanks and so on. I do not believe that that was going to assist the situation in any possible way.

There is no question, though, that there is a good deal of fright permeating that entire community. I indicated that on my return here I would talk to my colleague, the Solicitor General, with respect to the return of the nets to the band. I have not had an opportunity to do so yet. Also, my officials had talks with the Quebec provincial police. They indicated that probably as of today they would be withdrawing the very heavy contingent of Quebec provincial police that are not on the reserve—they have not come on the reserve since June 11, but they are surrounding the reserve—that they would be withdrawing those people today. I am checking, and I am told that they have not been withdrawn yet. We are still hopeful that they will be withdrawn today.

As far as any further action that may be required is concerned, we are monitoring the situation each day. I had indicated that on my return I would be getting together with my colleague, the Minister of Fisheries and Oceans, to examine the nature of the application of the regulations under the Fisheries Act. I have not had a chance to do that, but I will be doing it later today. It is on that basis the Quebec police are founding their jurisdiction to take the action they have. I indicated to that delegation that I would like to have an opportunity to review and examine the situation with the Minister of Fisheries and Oceans.

RESPONSIBILITY FOR ABORIGINAL RIGHTS

Mr. Lorne Greenaway (Cariboo-Chilcotin): I wish to ask a supplementary question, Madam Speaker. The Minister knows that according to the constitutional resolution the question of aboriginal rights is to be settled or at least to be discussed at the first two first ministers' meetings. In view of the fact that the provinces will have a tremendous amount of input into these discussions in describing aboriginal rights, and that the whole question at Restigouche is over aboriginal rights, if this is the way that the Quebec government sees fit to deal with people on the question of aboriginal rights, what hope do the Indians of Canada have as far as having aboriginal rights described in any way that would be beneficial to them?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I have not had an opportunity to get into any type of philosophical discussion with the Quebec government with respect to aboriginal rights, certainly not at this stage. I would hope that the question would be addressed and that we would find out how that province and other provinces feel with respect to it, during the second stage. The Indian people on the reserve, as well as I myself, feel that in the interval a more adequate way to deal with it on an immediate basis is through an examination of the application of the regulations under the federal Fisheries Act which is being enforced by the province of Quebec.

TRADITIONAL FISHING RIGHTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as a supplementary question, is it the position of the Government of Canada that the native people of Restigouche have existing rights, under treaty, to carry out traditional fishing as they have carried out that fishing for years?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, to remove all doubt with respect to that is one of the reasons that the government went along with, and is quite happy with, the provision that is in the constitutional resolution now before the Supreme Court, that would ensure recognition of aboriginal and treaty rights. I think it is unfortunate that the official opposition could not see fit to be more enthusiastic with respect to that position.

Mr. Clark: Madam Speaker, what the official opposition was anxious to do was to ensure that the courts of Canada had the right to consider that question before the Constitution was shipped off to another country.

• (1430)

POSITION OF FEDERAL GOVERNMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if I might come back to the particular matter having to do with the controversy at Restigouche, with the rights of the native people and the obligation of the federal government to protect those native people, I asked a very specific question about the view of the Government of Canada concerning fishing rights under treaty of the native people at Restigouche, I would appreciate an answer as to the position of the Government of Canada on that specific matter.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the independent legal advice I received, and I took one lawyer with me who is an expert in his field for the federal government—I just heard an interjection which I think was most unbecoming from an hon. member in view of the total retraction of *The Toronto Sun*. It did not seem to deter that member from involving himself in innuendo and smear comments about two weeks ago.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): In any event, the Indian lawyers who were on the reserve, together with our own legal advice, coincided with respect to this particular matter, that a by-law passed by the band would supersede the regulations under the Indian Act. However, the courts have interpreted now that this would not apply out into the Restigouche River, five or six feet offshore. Obviously that would not solve the problem with regard to fishing in the Restigouche River.

The courts have not been overly helpful from the Indian perspective in terms of recognition of their treaty rights. The feeling on the part of the Indian people and ourselves is that the solution lies in the application of the fishing regulations for now until constitutional provisions of the nature I have just discussed are firmly enshrined in the Constitution.

REQUEST FOR REFERRAL TO STANDING COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the minister will know that earlier today my colleague, the hon. member for Cariboo-Chilcotin, moved a motion under the provisions of Standing Order 43 suggesting that the Standing Committee on Indian Affairs and Northern Development be given an assignment, directed by the Government of Canada, to interest itself in this question. This is a matter which is of interest to the whole House of Commons, not just to the government, because the federal government has a traditional, historical and essential role in the protection of the rights of Indian people. Would the minister give us an undertaking now that he will make such a reference to the standing committee so that representatives on all sides of this House, representing the federal interest in protecting the rights of native people, will be able to be involved in this question?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I do not think a formal reference is necessary because of the nature of the committee. The chairman and members of the steering committee are here in the House. During the discussions and my appearances before the committee, if they had wished to, hon. members could have gone thoroughly into questions of this kind. I believe members of the opposition leader's own party would agree there has been no hesitation about thoroughly examining that question, and I am quite prepared to do so with them.

PROTECTION FOR MICMAC FISHERMEN DURING REMAINDER OF SALMON FISHING SEASON

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the same minister on the same important subject matter. The minister knows two important things with regard to the Micmac Indians at Restigouche, first, that the issue of treaty rights and regulations is involved and, second, there are only three weeks left in the salmon season.

Would the minister give the House the federal government's unequivocal assurance, because it is the federal government's responsibility, that it will ensure Micmac Indians have the right, for the next three weeks, to finish out the current season in safety, to be followed by a period of negotiations in which the Micmac Indians have indicated they are interested, dealing with, among other matters, conservation for the future? Surely these people's rights should be protected for the next three weeks.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, that is the very objective I have under way on my return today. I tried to indicate that earlier. There has been some indication, I hope solid indication, from the Quebec government and the provincial police that they are prepared to withdraw. There is an offer on the table for discussion between the Indian leadership and the Quebec authorities, which discussion I hope will take place in the interval. It is my intent, during the course of today and tomorrow, to discuss the immediate question of affording the Indian people an opportunity to carry on fishing there for the remaining short time which the Leader of the New Democratic Party just indicated.

I have not had an opportunity to get those discussions under way, but I will be talking to my colleague, the Minister of Fisheries and Oceans, and to my colleague, the Solicitor General, hopefully today and tomorrow, to see just exactly what can be done to attain that objective.

Mr. Broadbent: We hope those rights will be protected for the next three weeks.

LACK OF EMPLOYMENT OPPORTUNITIES ON RESERVE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have another question which has a direct bearing on the Micmac Indians. Considering that unemployment on that reserve is in excess of 80 per cent, could the minister tell the House why his department has not yet replied, indeed has not even acknowledged, a request from the Micmac, made in April, for a housing project which would have provided both housing and jobs? Furthermore, why has his department made no progress at all on a two-year-old request for a sawmill on that reserve which would have provided employment opportunities for the Indians?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, as far as the chief and the band council are concerned, the question which the Leader of the New Democratic Party is asking now, in terms of all my meetings, was not high on the list of priorities during the past weekend. That is not to indicate the unemployment situation on that reserve is not serious. It is.

I am sure the Leader of the New Democratic Party must be aware that there is a capital amount for the Quebec region for this fiscal year, voted by Parliament, which is applicable to all the reserves in that province on the same basis as all the other reserves, and the funds unfortunately have to be rationed. There is an endeavour to make those capital funds, whether for sawmills or any other economic activity, equally proportionate among all the reserves in the province. I believe the chief and the band council recognize that. I believe there have been discussions with the Quebec region with respect to the allocation in the capital budget for that reserve during this fiscal year.

Mr. Broadbent: Madam Speaker, it is pretty obvious that during the past 48 hours there was not discussion of this particular point because they were interested in preserving their fishing rights for now. But I can tell the minister the

Micmac Indians brought their general economic situation, the terrible situation that it is, to my attention, and that is why I have brought it before the minister today.

INTRODUCTION OF GOVERNMENT PROGRAMS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my final question is for the Minister of Finance. He indicated last week that he was tired of dealing with general economic questions and was more interested in particulars. Since almost every aspect of existence of our native peoples of Canada, whether it is unemployment levels, conditions of housing, or average life expectation, is right at the bottom, could the minister name one special program which the government is prepared to bring in soon that will improve their general economic condition?

Mr. Crosbie: Go and see the banks, Allan.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is obviously correct in his assessment of the condition which prevails among the native people of Canada. No one disagrees with the big job that is facing this country in attempting to raise their living standards and to provide for greater economic development. I do not need to be told this by the hon. member.

Mr. Broadbent: When are you going to do something about it?

Mr. MacEachen: I have Indian reservations in my own constituency.

Mr. Crosbie: There are a lot of reservations about you.

Mr. MacEachen: I know first-hand about conditions. The responsibility for the allocation of funds for all social programs within the government is assigned to the committee on social development. In the envelope system over the next number of years, an increase in total social expenditures has been projected of about $8 billion. It is within that over-all amount that ministers must make the difficult choices as to how they will allocate these funds among many pressing priorities, including the needs of the Indian people.

Mr. Baker (Nepean-Carleton): And purchasing Petrofina.

* * *

● (1440)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

JOURNALISTS' STRIKE—REQUEST THAT MINISTER STUDY THE PROPOSALS OF UNION AND MEDIATOR

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Secretary of State and Minister of Communications. First I should like to commend the minister for the representations he made to the Canadian Broadcasting Corporation with a view to ending as soon as possible the journalists' labour dispute. However, a CBC spokesman, Mr. Rousseau, has stated that negotiations broke down on two minor points. Since a settlement is so near, is the minister prepared to urge the CBC to make a last ditch effort and seriously consider the proposals from both the union and the mediator?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, if I heard correctly the question of the hon. member concerning the striking CBC journalists and the latest offers made to them, I should like to inform him that, according to the information given to me by the corporation, the union, of course, now has the latest offer from the corporation and wants to consult its members tomorrow, June 23.

* * *

COMMUNICATIONS

BROADCAST COVERAGE OF ECONOMIC SUMMIT MEETINGS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, we are not asking him to settle the dispute personally, for we are sure he could do so if he wanted. As a supplementary question, I would like to ask the minister whether he knows what the CBC French network intends to do about the French news coverage of the economic summit if unfortunately this labour dispute should drag on. In addition, are there any plans to use the Ottawa based parliamentary reporters and freelance reporters to cover that event? Finally, what about coverage by the English network?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, the CBC French network had to discuss that matter with the union of English-speaking technicians. The corporation asked the union if it would be possible to secure a guarantee that the CBC will be able to play its role on the occasion of the summit. The corporation has informed me today that it was unable to obtain such guarantees from the union and that it will have to revise its position. I expect that Crown corporation to make an announcement on the subject perhaps today or tomorrow.

* * *

[*English*]

HEALTH

TESTING OF PESTICIDES

Mr. Chas. L. Caccia (Davenport): Madam Speaker, there was a report over the weekend of improper safety tests conducted by some 2,000 laboratories in the United States. The results of these tests have been used by governments around the world to register pesticides for sale. Will the Minister of

National Health and Welfare inform the House whether the results of any of these tests conducted by these companies were used in Canada as the basis for approving certain pesticides? If so, what steps are being taken to examine these products so as to determine which should be withdrawn from the market?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, we are familiar with the problem referred to by the hon. member. We expect to receive, probably at the end of the calendar year, the assessment of the studies done by these industrial laboratories other than IBT which have been assessed by the American food and drug administration as not being valid. We do not yet have these reports. However, we have been informed that they are short-term studies not central to our registration process of pesticides. As soon as we receive these assessments, we will identify the Canadian companies and those products sold in Canada which used this data for their registration process. We will then act accordingly.

* * *

CANADIAN ARMED FORCES

STEPS TO INCREASE ENROLMENT IN RESERVES—TAXATION OF SALARIES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of National Defence. The reserves in Canada, which play a very important role in our armed forces, are under strength, some would say dangerously so. Has the minister given consideration to encouraging increased enrolment by recommending to his cabinet colleagues that the income tax on salaries of reservists be discontinued? If not, why not?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it has been stated several times by the Chief of Defence Staff and myself that one of the priorities of the armed forces and my department is to try to improve the status of the reserves. I can advise the hon. member that some units that previously were not up to full strength are now up to full strength. We are trying to encourage businessmen to help in any way they can to facilitate their employees joining the reserves.

With regard to the hon. member's question about discontinuing the income tax, I suggest he direct that question to the finance minister because it is related to financial policy. However, I would again stress that we are doing everything possible to encourage people to join the reserves. We are well aware that it is very important to our regular forces to have the proper back-up.

Mr. McDermid: I think the answer is no, it has not yet been considered. This policy is now followed in Australia and their reserves have increased by 14,000.

I will direct my supplementary to the Minister of Finance. Will the minister and his cabinet colleagues give consideration to such a proposal so that our reserves in Canada might be increased?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, all tax changes are reviewed prior to the budget. I will be pleased to add that to the other matters that will be considered.

* * *

BANKS AND BANKING

CREDIT ALLOCATION SYSTEM

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. The minister will know that with the restrictive monetary policy restricting the growth of the money supply, with his demands on the money market for money to finance the government's deficit, and with the increased demand by the private sector, in view of perhaps the improving business conditions, the only method of determining who gets the money is to determine who can pay the price. Has the minister had any discussion with the banks with regard to some credit allocation system to ensure that farmers, small businessmen and home owners are able to get their share of the credit supply without having to bid against the multinationals, business people making big takeovers, and the government, for that money supply?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have already had discussions with representatives of the banks in which I pointed out to them the difficulties that might be faced by certain home owners renegotiating their mortgages, and by small businessmen and farmers. I have received assurances that in particularly difficult cases the banks will, to use their expression, lean over backwards to be accommodating. The hon. member raises another particular point, namely, the reallocation of credit, which is somewhat different but related to the main subject.

FINANCING OF CORPORATE TAKEOVERS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the minister will know that large borrowings of over $1 million from the banking system are up 36 per cent this year, that a great deal of that borrowing has been to finance takeovers, and that today with inflation it is cheaper to buy an existing asset than to create new one. That is why the government bought Petrofina. Rather than create a new oil company, it bought an old one. That type of thing does nothing to increase productivity in Canada. Is the government prepared to direct the banks not to continue financing these kinds of takeovers but to use its credit to ensure that new business, new activity and new productivity in Canada are enhanced and improved?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is obvious from statistics on the rate of growth and production, both in the first

quarter of this year and in the last quarter of 1980, that the very large volumes of funds which are being borrowed at the present time are adding to the over-all production of the country. That is evident in the statistics which were released at the weekend with respect to the first quarter, which show that, depending upon which series of statistics one accepts, real growth in production was either 4 per cent or 6 per cent, and that is very considerable at the present time.

* * *

● (1450)

THE ECONOMY

STATEMENTS MADE BY LEADER OF LIBERAL PARTY IN ONTARIO

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is also for the Minister of Finance. Is the minister aware of the statement made over the weekend by the leader of the Liberal party in Ontario to the effect that inflation is a Robin Hood in reverse; that it robs the poor and benefits the rich? Is he also aware of the suggestion made by the leader of the Liberal party in Ontario that therefore the federal government should collect more taxes from the rich so that it will have the funds to increase pensions and provide benefits for the needy?

Will he in particular accept the suggestion of the leader of the Liberal party in Ontario that there be a full capital gains tax exempting only the home one lives in, and will he do something about the fact that there are more than 2,000 wealthy Canadians who pay no income tax at all?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows that at the present time there is a progressive income tax system in Canada, and that is very much in line with the objectives of the leader of the Liberal party in Ontario. However, I remind the hon. member and other hon. members that, because of the type of taxing system and indexation system we have in place at the present time, in a period of inflation the poorest groups, those most exposed, are virtually fully protected against inflation, and the amount of that protection each year exceeds hundreds of millions of dollars. We have in place a safety net which accomplishes a good part of the hon. member's objective.

Mr. Knowles: Madam Speaker, I think it is time my friend assumed the role of minister of myths. He keeps handing us this nonsense about the poor being fully protected. He tells us we have a progressive income tax system. How does he square that with the fact that more than 2,000 wealthy Canadians pay no income tax at all?

LOW INTEREST RATE PAID ON GOVERNMENT ANNUITIES

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, with respect to one particular group which is feeling the pinch and getting no indexing, may I remind the minister that the holders of Canadian government annuities had the basic rate for calculating those annuities increased to 7 per cent in 1975 but that that rate has stayed at 7 per cent ever since? Since the minister has so much to say about indexing and protecting people, will he arrange for the rate on government annuities to be increased so that those pensioners will also be protected?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, one would hesitate to compete with the New Democratic Party in the creation and proliferation of myths. The hon. member is up to the same old game his leader played the other day when he talked about the taxes paid by banks. Obviously the taxes in certain circumstances paid by banks are less than they would be if they were not asked to support desirable social policies like the small business development bond. That is one of the big reasons why the banks in these circumstances are not paying the tax they otherwise would pay.

Hon. members in the New Democratic Party get up one day and ask me to extend the provisions of the small business development bond, and then the next day they complain because the banks are not taking a full tax load.

Mr. Knowles: What about government annuities?

* * *

IMMIGRATION

INCREASE IN AID TO VOLUNTARY COMMUNITY ORGANIZATIONS

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Minister of Employment and Immigration. Last week in a press release the minister announced that an additional $4.3 million had been approved to assist Indo-Chinese refugees. He also announced that of that amount $927,000 would fund activities of various voluntary community organizations under the Immigrant Settlement and Adaptation Program. I wonder if the minister can tell the House whether the increases announced last week will bring funding under ISAP to the various immigrant services associations—and I speak specifically of those in the province of British Columbia—up to the rate of funding of last year, or will it still be under that rate of funding?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the additional moneys which were allocated for the ISAP will in fact raise the level of funding beyond that of last year. We have written to the different ISAP organizations indicating that there has now been an augmentation of the funding and that our regional offices will be in touch with each of the voluntary organizations to work out their budgetary requirements. That does not mean to say that every organization will necessarily receive the same amount because I believe that, for reasons of accountability, we should go back and review the performance of each of the organizations. However, certainly the total sum is larger than

it was last year, and most of the organizations will be receiving funding comparable to what they received so that they can continue a very important service.

Mr. Fraser: Madam Speaker, I thank the minister for his reply and, in posing the next question, I am sure it would be appropriate to point out that the increased load these immigrant services associations are carrying is such that even added on last year's funding this will not be sufficient.

TIMING OF PAYMENTS

Hon. John A. Fraser (Vancouver South): Madam Speaker, may I ask the minister how soon these various organizations will know definitely how much money they are getting? They are running out, and they are in serious difficulty.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, letters from my office went out last week informing them of the additional moneys, and in them I also indicated that our regional offices would be looking at each of the proposals and applications, reviewing them and getting back to those organizations as soon as possible. I do not expect any long delay because we already know about most of the programs, so they should be informed within a very short period of time. I hope it will be within a matter of about a week or two.

* * *

INCOME TAX

TAX AUDIT OF FISHERMEN IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans, and it has to do with the special audit of Atlantic fishermen by his colleague, the Minister of National Revenue, and Revenue Canada. A telegram today from the government of Newfoundland to the minister's colleague indicates that over 1,400 fishermen have received their party demands by which 50 per cent of their gross incomes are being deducted, leaving many fishermen, some of them with large families, with as little as $60 a week to get by on. That does not seem to be fair, I am sure not even to the Minister of Fisheries and Oceans. I am sure he would agree that situation cannot continue.

The minister was in Newfoundland last week with his colleague. Was this matter discussed? Is he prepared to intervene on behalf of these fishermen to see that they receive fair and equitable treatment?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the hon. member is correct. I spent two days—Thursday and Friday—in Newfoundland. We had public meetings with four or five groups of fishermen, which went on for an hour and a half or two hours. There were questions from the floor on a whole variety of issues. In most of those meetings my colleague, the Minister of National Revenue, was present with me. This question was not raised. The fishermen did not raise the question. If the minister of fisheries of the government of Newfoundland has sent a telegram, I have not seen the telegram. I can only say to the hon. member that I have seen the fishermen. They did not raise this question with either my colleague or myself.

TREATMENT OF FISHERMEN

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister knows that he has in fact received representations from the Newfoundland fishermen's union. He now knows that there has been a telegram from the minister of fisheries of Newfoundland to the Minister of National Revenue in which he points out the seriousness of the situation. Many fishermen will be forced to go on social assistance. They could very well be deprived of the right to provide for basic essentials for their families. We must assume that the situation is correctly described by his provincial colleague.

Therefore, notwithstanding the minister's reply to my previous question, is he prepared to get in touch with his colleague, the Minister of National Revenue, to determine just exactly whether there is this kind of what I would call harassment of the fishermen taking place during a season when they have all kinds of other problems to contend with, including high interest rates and high fuel rates?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I have not seen recent messages from the fishermen's union. I, of course, would read them very carefully when and if they are brought to my attention. As for the avalanche of telegrams that I get from my colleague, the Minister of Fisheries for Newfoundland, I must confess that I assume nothing until I check the facts very carefully.

Mr. Clark: What contempt.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL TRADING CORPORATION

Fourth report of Special Committee on a National Trading Corporation—Mr. Flis.

[*Editor's Note: For text of above Report, see today's Votes and Proceedings.*]

Order Paper Questions

[*Translation*]

ENERGY

TABLING OF DOCUMENT—DRAFT PROJECT RESPECTING ACT ON ENERGY SECURITY, 1981

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to table in both official languages a paper entitled "Discussion Draft of the Energy Security Act, 1981".

* * *

CURRENCY AND EXCHANGE ACT

MEASURE RESPECTING ISSUANCE OF GOLD COINS

Hon. Pierre Bussières (for the Minister of Supply and Services) moved for leave to introduce Bill C-68, to amend the Currency and Exchange Act.

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

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

Hon. Bob Kaplan (Solicitor General) moved for leave to introduce Bill C-69, to amend the Royal Canadian Mounted Police Act.

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

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,546, 2,426, 2,458 and 2,475.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

PAYMENT OF CONTRACTOR'S FINAL ACCOUNT

Question No. 1,546—**Mr. Cossitt:**

1. What is the average length of time, after the completion of a contract allotted by the Department of Supply and Services, between submission of the contractor's final account and the issuance of the necessary cheque to the contractor?

2. Is the government aware as to whether or not a number of members of Parliament are receiving complaints alleging that in many cases a number of months elapse?

3. Will the government take steps to speed up the process and, if so (a) in what way (b) on what date?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Supply and Services as follows:

1. During 1979-80 fiscal year, the payments made out of the supply revolving fund amounted to about 7 per cent of the value of the contracts allotted by the Department of Supply and Services. Of this, 76.5 per cent was paid between 0-30 days, 23 per cent between 31-60 days and 0.5 per cent over 60 days. The average length of time, from the date invoices were received in the department to the cheque date, was 29 calendar days. It should be noted that cheques are issued by Supply and Services Canada on the average within three days upon receipt of a requisition for payment from government departments. Supply and Services Canada has no control over the time it takes for supplier invoices to be processed by other government departments prior to forwarding of requisitions for payment to our district services offices for cheque issue.

2. It is only very seldom that we hear either from the suppliers or members of Parliament complaining about delayed payments.

3. The government, of course, is very concerned that it may be causing hardship to some firms that supply it with goods and services due to a slower than necessary payment process. Officials of the office of the Comptroller General, the Department of Supply and Services, and of the small business secretariat are currently examining a number of alternative approaches to streamlining and otherwise improving the payments process. Any comment on the timing and details of possible changes would be premature at this time. However, the government intends to take action on this matter in the near future.

OPEN HOUSE PROGRAM GRANTS

Question No. 2,426—**Mr. Herbert:**

1. In each of the past five years, by province, what amount was granted under the Open House Program?

2. Did the Department of the Secretary of State grant monies under the program to L'Ecole Secondaire de Vaudreuil and, if so (a) on what date (b) in what amount (c) for what purpose?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): 1. See summary of grants below.

2. Date	Amount	Purpose
April 26, 1978 (trip took place in April)	$8,468	Travel grant for an exchange visit with the Port Moody Senior Secondary School, in Port Moody, B.C.

Date	Amount	Purpose
April 13, 1981 (trip will take place in June)	Approx. $15,000	Travel grant for an exchange visit with the Armstrong Junior Secondary School in Armstrong, B.C.

Open House Canada
Grants by Province

Province	Year 1977-78	Amount	Year 1978-79	Amount	Year 1979-80	Amount	Year 1980-81	Amount
Nfld.		26,668.00		393,099.00		241,197.80		313,209.90
P.E.I.		8,874.00		98,400.00		102,531.60		141,185.75
N.S.		20,468.00		470,081.00		338,570.80		279,000.90
N.B.		1,773.00		170,513.00		180,747.00		239,291.40
Que.		138,060.00		1,120,510.00		1,496,062.62		1,416,888.78
Ont.		144,012.00		1,028,573.00		723,290.00		685,556.86
Man.		17,075.00		163,849.00		197,628.00		177,868.30
Sask.		42,804.00		253,438.00		303,270.00		262,791.62
Alta.		14,706.00		655,706.00		718,048.00		790,197.65
B.C.		172,576.00		1,896,724.00		1,600,001.00		1,508,228.69
Yukon		—		65,246.00		19,256.00		76,565.00
N.W.T.		4,000.00		154,279.00		152,741.00		84,258.40
Non-Governmental National Organizations		—		3,300,000.00		3,368,000.00		3,899,000.00

NOTE: Open House Canada granting activities began in 1977-78.

"FEDERALISM AND DECENTRALIZATION: WHERE DO WE STAND?"

Question No. 2,458—**Mr. Dinsdale:**

1. What was the total cost of the publication "Federalism and Decentralization: Where do we stand?"?

2. (a) How many copies of the publication were printed and what was the price per copy (b) how many copies were distributed?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The Canadian Unity Information Office:

1.	(i)	Main document	$28,700.
	(ii)	Highlights	$ 4,372.
2.	(a) (i)	Main document	35,000 copies at 82 cents per copy.
	(ii)	Highlights	50,000 copies at 9 cents per copy.
	(b) (i)	Main document	28,070 copies.
	(ii)	Highlights	44,250 copies.

HEALTH CARE

Question No. 2,475—**Mr. Herbert:**

1. What is the latest estimate of the cost of all health care in Canada as a percentage of the gross national product and, of this expenditure, what is the percentage contribution of all levels of government?

2. Is the government aware of the comparable percentages in the United States?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. It is estimated that in 1980 total health care spending in Canada accounted for approximately 7.3 per cent of the gross national product. This represents an increase from the 1979 level of 7.1 per cent. Aggregate government health expenditures last year accounted for about 73 per cent of national health spending.

2. Comparable American figures published by the health care financing administration establish total health spending in the U.S. at 9 per cent of the gross national product in 1979. It is estimated that government health spending in the U.S. accounts for about 43 per cent of national health spending.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

The House resumed from Wednesday, June 17, consideration of the motion of Mr. Blais that Bill S-10, to amend the Corporations and Labour Unions Returns Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, when I last spoke on this bill on June 17, I commented on the fact that the information we have with respect to corporate salaries and executive compensation in general is totally inadequate, indeed non-existent. It is not simply the Canadian

public who do not have access to this information, it is the shareholders of our largest corporations. This information is of direct concern not simply to the public and government, but also to shareholders of these companies.

We go through an annual ritual in this House, Madam Speaker, when the Securities and Exchange Commission in the United States releases certain information respecting executive compensation. That commission is required by law to release figures on executive compensation by companies subject to its jurisdiction. We as Canadians have access to that information, as any individual does, and so every year we get a glimpse of the extent of increases in that compensation and some idea as to what executives are being paid these days. The figures are indeed shocking. They show that for the last year the increases amounted to some 30 per cent on average; that the most senior executives in our largest companies are paid anywhere from $250,000 to $1 million a year in salary and benefits. We also discover that there is another class of benefits which is harder to measure but nevertheless has to be declared on the SEC form, that of deferred compensation and deferred benefits which excuse the executives from paying income tax.

We have these schemes in Canada and it was with respect to some of them that my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), was asking today: Well, why does not the government stop deferring this compensation, start collecting the taxes and provide benefits for those Canadians in need? The minister then went off on a tangent talking about the small business development bond and the banks, two totally unrelated subjects.

By the way, Mr. Speaker, the small business development bond has not existed long enough to have any effect on the rate of taxes paid by the banks. If he does not know and understand that, and know that the reason the banks are paying such a low level of tax has to do with the income debenture system which has been part of the Liberal system of taxation throughout the entire decade of the Trudeau government of 1968 to 1978, then he simply does not know some of the most elementary facts of taxation which are his responsibilities.

The hard fact of the matter is, Mr. Speaker, that we do not have provision in this bill as it now stands to get the most basic and elementary kind of information on the question of who gets what, when, where and how in our society. We do not have equality of information because we are faced with the fact that salaries and benefits of Canadians of low and middle income are known. We know what welfare benefits are, we know what wages are because they are published in collective agreements, and we know exactly how much the average working person makes. But we do not know, and this bill will not tell us, how much executives are making.

What is the nature of the system of compensation in our society? How great in fact are the inequalities? If we are to have any degree of equality in our society, if we are to have decisions with respect to redistribution of wealth, decisions with respect to policies which will help Canadians in need of help, we simply have to have information with respect to the distribution of wealth and opportunity in our society.

• (1510)

This is why I find it strange that the government would take so long to bring in a bill on corporations and labour unions and do nothing to deal with a major gap in our legislation. This gap has been raised annually by hon. members of my caucus with the Minister of Consumer and Corporate Affairs (Mr. Ouellet). Most notably it was brought forward by the hon. member for Winnipeg North (Mr. Orlikow). For years he has been campaigning for the need to provide Canadians with information which is theirs by right. It is important to know just how serious the inequalities of wealth in our society have become and just how great is the gap between the rich and the poor.

Canada has the lowest rate of taxation on wealth of any country in the OECD. Canada also has the lowest rate of taxation on inheritances and on capital gains of any OECD country. These rates are lower than the ones of the Americans who are frequently cited by my friends on the right as being the wave of the future.

I find this animal called Liberalism strange. In its Ontario manifestation over the past weekend, it talked about the problems of distribution of wealth and opportunity in Canada and in Ontario. It talked about the need to bring in new legislation respecting capital gains, when it is the Liberal beast on that side of the House that is responsible for the taxation system which create this inequality. That Liberal beast created the loophole in capital gains taxation which allowed some people to benefit from inflation while others are hurt by it. It would be horrendous if it were not so funny.

The Minister of Agriculture (Mr. Whelan) said in British Columbia on Thursday that the Liberals were considering major changes in the banking system. This is the message the Minister of Agriculture is trying to get across to the audiences he is addressing throughout Canada. The leader of the Liberal party in Ontario told people that the distribution of wealth in Canada is a disgraceful situation. We know where the bottom line is; we know what really happens. The government brought in the Bank Act which did nothing to reform the banking system. It resisted every step of the way every progressive amendment put before it. It only accepted a minuscule number of them because the government was forced; it wanted to get the bill through. This is the reality.

The hon. member for Kamloops-Shuswap (Mr. Riis), the hon. member for Comox-Powell River (Mr. Skelly) and myself were present in the committee during those summer months. We know how interested the Liberal party is in reforming the banking system. Perhaps the Minister of Agriculture would do well to study the minutes of the committee meeting to know what the real Liberal party thinks.

The Acting Speaker (Mr. Ethier): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I should like to make a few comments on Bill S-10. The bill has been nicknamed "CALURA", or as my hon. colleague behind the curtain just said, perhaps it should be nicknamed "cholera". It sounds like the name of a perfume, but it does not smell like perfume when I read the bill.

I should like to deal with a few items in the bill so that the House will know exactly with what we agree and disagree. The object of the bill is to provide for the reporting of financial and other information of corporations and labour unions. That, in itself, is a worthy objective—the Government of Canada should know certain information about corporations and labour unions. The information should be available to the government for its own purposes. It will not be used for financial purposes because people report such information in their financial returns. When companies and labour unions are filing returns, there should be some guarantee that this information will not become the topic of conversation in coffee shops or beer parlours.

It is quite proper for information to be gathered, but another item in the bill which bothers me somewhat is the transferring of technological information from Canadians to foreign interests and from foreign interests to Canadians. I have searched the act and the bill in vain to find a definition of "technological transfers". It may be a very innocent item or it may be a very important item hidden by the fact that it is not very conspicuous in the bill.

A few years ago the House heard the metric system being discussed. In that bill there was a hidden section indicating the the standard or imperial system would be done away with; it was not emphasized. It should have been the major part of the bill because it concerned Canadians. I am wondering whether technological transfers is something similar. The minister mentioned that it was in the bill and that was all. As far as I can recall, he made no other comment with regard to technological transfers.

Technology is how we do things. For example, one company from the United States came to the country and spent millions of dollars developing a process for separating sand from the oil in the Fort McMurray area. The process belonged to that company; it was not required to give it to anyone else. It spent millions of dollars of its money to develop it. When Syncrude came on the scene, the great Canadian oil sands shared the information and received compensation for that sharing. In other words, it gave up part of its land it had secured through the proper process to Syncrude. It is a very important item. If technological transfers mean that these processes must be brought into the hands of the government through this board, and then they will be made available to others—and there may be leaks—it is very, very important to know exactly to what we are agreeing in regard to the bill.

Technological research is the basis of advancement. We must have research. When research is developed by an individual or a company and they apply under the laws of the country for protection, they should have that protection. It should not be passed on to a government body. This is the part that worries me.

• (1520)

An hon. Member: Is Nova Scotia under a government body?

Mr. Taylor: Why do you not stand up and talk once in a while instead of muttering from your seat? The man has nothing to say so he keeps shouting like a foghorn.

Mr. Knowles: That is no way to address the Chair.

Mr. Taylor: You had a chance to speak a few minutes ago. Why did you not get up and speak then?

The Acting Speaker (Mr. Ethier): Order, please. Remarks should be addressed to the Chair. I would invite hon. members on both sides of the House to comply.

Mr. Taylor: Mr. Speaker, the hon. member opposite is the one who was foghorning. I have the floor.

The Acting Speaker (Mr. Ethier): That is precisely what I just reminded hon. members. The hon. member for Bow River has the floor.

Mr. Taylor: Mr. Speaker, the findings in science and research, or whatever field, must have some protection, otherwise the initiative which brought it about in the first place is destroyed. Here there are these technological transfers without any definition, without saying what it is supposed to do or who is supposed to do it. Again, this is something about which I certainly disagree. If technological transfers were defined in the act, then we would know exactly what is involved. But it is not defined. This government is getting into the habit of doing just that. It included aboriginal rights in the Constitution and the Minister of Indian Affairs and Northern Development (Mr. Munro) said today that it is not known what the term means so it must go before the courts for definition. He was deploring the fact that the courts decided against the Indian people before, yet he is saying that the courts much decide again. When will this government learn that when legislation is written that is the time to define the terms? That is an elementary principle in the writing of laws.

In 1978 the CALURA report which was tabled in this House reported that the top 500 non-financial enterprises accounted for 53 per cent of sales in Canada, 66 per cent of the profits and 70 per cent of the equity. Of that 500 some 274 were foreign-controlled corporations. In other words, without those foreign-controlled corporations the gross national product in this country would have been a great deal lower than it was.

Canada was made up of people who came from all countries of the world. Money, unions and corporations coming from the nations of the world combined together to make up Canada. They all came under Canadian law. We set the conditions. Alberta was a "have-not" province in the hungry thirties when some 52 per cent of our taxes went to the financiers to pay

interest charges alone. What was the principle then? The money was going out. There was no control over that situation.

Then we wanted to get some money in order to develop. We went to eastern Canada, to the Bank of Canada, to Canadians, to England and to Germany. No one was prepared to invest their money in the province of Alberta. We then went to the United States. The Americans were prepared to invest their money in Alberta. They developed our oil and gas industry. That was the beginning of what we have today. Had that course not been followed we still might be a "have-not" province—the way this government likes to keep our provinces.

If the money had not come in the oil would not have been developed. We invited the Americans to come. They did so and worked under the conditions set out by the government of Alberta. They did not try to establish the rules; they obeyed them and became good corporate citizens.

This is an area in which the government shows day by day that it is lacking. It talks about Canadianization when it means nationalization. Which means that if you have a good thing you are liable to lose it in a short time because the government may take it over. Why does this government not have people come in, work under the rules of Canada and develop our gross national product? That is the way to develop the country. That is the way in which this country was developed, but now the government asks for all kinds of reports and information. Its own report, tabled in this House in 1978, indicates that over one half the sales, the profits and equity in non-financial enterprises would not have occurred had it not been for foreign-controlled companies working in this land under the rules and conditions which we set out.

What use will be made of the information for which we are asking? I think this is a very important item. Right now only the aggregates are available to other departments. They are then made public, as set out in the bill.

Bill S-10 re-establishes the conditions which existed before 1965 when the federal government had access to the financial information provided by individual companies. That provision was done away with in 1965. The government of the day wanted to give some credibility to the companies. It wanted the companies, the corporations and the trade unions to believe in it so it made the aggregates available to other ministries. But it did not make the financial statements of individual companies available.

That is not good enough for the government in power today. It wants to go back 16 years to 1965 in order to make the whole financial statement available to other departments. The bill sets out who will receive this information. It says that an official who is an officer, or another person taking his place, shall, where authorized by the Chief Statistician of Canada, on the request of any minister of the government, for any purpose relating to the determination of policy, make this information available.

The bill provides that, upon receipt of an application for inspection, payment of a fee not exceeding one dollar is required. I suppose that if the information is to be made available it should be available to everyone. I do not think any individual wants to have his financial statement published in the press or made available for inspection to people off the street where it can become the talk at the coffee counters and the beer parlours of the nation. In the case of trade unions, all the information must be made available free of charge.

Who will be required to make these reports available, to provide this information? This is a good point in the bill. If the bill has any good points at all, this is fit. A corporation with assets exceeding $250,000 and/or sales amounting to more than $500,000 must file. That is the situation now. If enacted the bill before us will raise that amount to $5 million. It provides that any corporation with assets exceeding $5 million or sales amounting to more than $10 million must now file. Companies which had to file under the old legislation will not any longer have to go to the expense of filing, while the larger corporations and the labour unions will have to do so. According to the minister, there will be some 70,000 businesses affected which will have some redress from filling in all of these forms.

• (1530)

When we come to the labour unions part of the bill, the minister says Bill S-10 will lead to significant improvements in the administration of the act. I have searched to find out whether these significant improvements are for the unions of our country. I cannot find them in the bill. Perhaps the hon. minister will outline them when he is closing the debate. However, the one thing I did find is that the definition of "union" has been extended, and not restricted, to any association which regulates relations between employers and employees. Under the old bill, there are some stipulations under which a union did not have to comply. Now any and every union will have to supply the information. The international unions will have to report all direct revenues from Canadian subsidiaries, and also financial data of pension and strike funds, and report on their membership on a calendar year basis. I do not suppose there is anything particularly wrong with reporting on their membership.

I do not object to labour unions being required to give information on membership and other important matters to the government providing those items are then kept somewhat confidential. However, it seems to me that international unions are being pinpointed for special abuse. International unions have done a real service in this country. Anyone who knows the situation knows that the international unions have done a great deal. As a matter of fact, there have been times in this country where, had it not been for international unions, many of our workers would have gone hungry. I refer to the United Mine Workers of America.

I was raised in a coal mining area and I know what goes on in a coal mining area. There were times when we had no work, when Ontario was buying its coal from the United States and Canadian mines were idle, pretty much the way it is right now. We still buy large amounts of coal from the U.S.A. Not all mines stand idle, but all miners do not get the work. In

addition to that, we have coal in Alberta, in Canada, which has low sulphur content. But does one think we could use that to reduce acid rain? No. We keep on buying coal with much higher sulphur content from the U.S.A. to aggravate the acid rain problem.

However, the point I am making is that there were times when workers, through no fault of their own as there was no work available, would have gone pretty hungry had money not come from the international unions, from their American offices, to assist coal miners in this country. That is not a fairy story, that is the truth. The international unions have also shown a great deal of responsibility. I do not know of any union in this country which has been more responsible to the United Mine Workers of America. Did one ever hear of a union saying to the mine operator: "We are going to forgo even the cost of living increase in our wages this year because we know you are having a tough time keeping this mine open; we will forgo any increase just to keep our jobs? That happened in a mine in this country. The union showed responsibility as an international trade union. I think we should recognize that there is a place for unions and that we believe in the autonomy of unions. If the miners of this country want to work under the auspices of the United Mine Workers of America, why should we tell them that they cannot do that?

I remember one of the worst strikes I have ever seen, and I have gone through many of them. A union called the Canadian Union, which was simply the mouthpiece for the communist organization, tried to oust the United Mines Workers of America from authority in the coal mines in Canada. The coal miners caught on to the idea. They are autonomous. They have complete rule of their unions in this country. They do not take orders from another country. They objected to a communist inspired union, as its final and ultimate objective is to do away with unions altogether, under a communist regime. The Canadian Union lost out because the United Mine Workers held together. I remember the difficulties, trials and tribulations during that strike, when women with axes, brooms and shovels and men with clubs stood along the road to try to stop people from going to work in a strike which was called by this communist union known as the Canadian Union. The United Mine Workers were loyal to their own union and loyal to their own country and they refused to stop at that time. Therefore, do not tell me that international unions are all bad. Maybe some are bad, but a lot of them are good. I think we should give them credit where they deserve credit.

Again, in this country we have always had some freedom of choice. Why should our workers not decide what union they want and whether they want a Canadian union or an international union? There are disadvantages to both. However, our workers are not illiterate any more. They should have the choice. We should not be pinpointing an international union, requiring it to do things that we do not require of our other unions.

The international unions will have to report all direct revenues from Canadian subsidiaries and financial data pertaining to their pension funds. If other corporations have to report their pension funds, then I think international unions should also.

I would like to comment about strike funds. What concern is it of the government how much money workers put into a strike fund? I want to know why the government wants to know that kind of information. It is like a census form wanting to know how many toilets there are in a house. It is ridiculous information. No wonder our people are riled up about that long census form.

While I am on that subject, I am wondering what authority there is for the government to ask some people to fill in a short form while others must fill in a long form. Again, this is discrimination of some kind. Why do we not all have the same form if the government must have that information? What good is the information coming from one tenth of the population? What does that prove? We might as well let Gallup poll do it. It would not cause the taxpayer all the agony which is being caused through this census information. I believe in the census, but why is there a difference between Canadians, where some have to work hours on it and others can fill in the form in five minutes?

An hon. Member: Ask your leader.

Mr. Taylor: The hon. member is yapping again. If one throws a stone at that side and hits someone, they start to yap. It is like throwing rocks at a bunch of dogs. If one of them starts yapping, one knows they were hit in a vital point.

An hon. Member: He authorized the form.

Mr. Taylor: This strike fund is something I want to know about. What business is it of this government how much they have in their strike fund? It is not the government's money, it is the unions' money. It is none of the government's business. I know why the government wants to know. If there happens to be a strike, the government wants to know how long they can stay on strike, and maybe it leaks the information. No one believes in this government any more. It has no credibility. People will not trust it as far as they can see it or throw it. The government is concerned about a strike fund, but it is none of the government's business. This is the workers' own money. It is not the employer's business either. It is coming out of the pockets of the workers, and it is their business only.

The government has no right to this information by asking them to report how much money they have in a strike fund. That is ridiculous. It is their money. That can be resolved in the union meetings. It is none of my business and it is none of the government's business. I object to this type of thing being carried on in the name of government. It is just another one of these things, like the technological information, where the government tries to get information to which it is not really entitled and which it may well misuse.

Another section of this bill which is of concern is the penalties provision. We put the penalties in to try to force people to do exactly what we want them to do. The penalty under section 12(1) of the act is that the guilty party is liable,

on summary conviction, to a fine of $50 per day if the form is not filed. The bill provides for up to $250 per day. A very large corporation with bookkeepers, researchers and accountants would have no problem finding the information that is required but many of the smaller unions that rely on volunteer workers would not have the time to do this. The people there work after hours or give up their Sundays to do this type of thing. A $250 per day fine for failing to file a return would be difficult for them. The government has no business asking for all this information anyway and I do not think it is right. The fine is exorbitant and ridiculous for small unions. Because it has the law on its side, the government is trying to threaten people into doing something it knows they should not have to do.

● (1540)

We pass many of these laws in the way we passed some the other day. I have never seen anything so ridiculous as going through scores of pages without a chance to debate the legislation. We wonder why people do not want to obey the laws and we make it an offence if they do not, yet we do not have enough time to discuss them. They have not been carefully thought out, yet the government brings in closure to stop the House debating the bill properly.

This penalty is too high for many small unions, Mr. Speaker, and I want to go on record as saying that it should be reduced. The fine should vary in accordance with the offence. All offences are not the same and there should be no difficulty in setting out a range of fines instead of simply saying not exceeding so much. If the offence is committed in one province there may be a $10 fine, while in another part of that province or in a different province the fine could be $250. The government has given discretion to the courts but has not given them any guidelines.

Clause 8 of the bill provides to whom the information may be made available. A few moments ago I dealt with the matter of the unions providing the information free of charge.

In my view, this bill simply brings the government more into the lives of the people. Just the other day the Parliamentary Secretary to the Minister of Communications (Mr. Stollery) praised the government for wanting more and more intervention and more and more regulation and defamed anyone who wanted deregulation.

Another thing that bothers me, Mr. Speaker, is that this bill will not create one job outside government. It will make things more difficult. Perhaps I should not say it will not create one job, as some large corporations may have to hire a full-time man to put together all this information that the government wants, to report the technological advances and so on. It will not create any work for labourers, however. Those people whose unemployment insurance is running out today cannot hope for a job as the result of this bill. The government could have brought in all kinds of bills that would create jobs in the country.

Mr. Kelly: How many jobs is it costing?

Mr. Taylor: I will tell you how many have been eliminated—thousands and thousands. If the hon. member had enough sense to go out into the sticks where the people are unemployed, he would not be so glib with his tongue.

Mr. Kelly: You do not know the bill, do you?

Mr. Taylor: He should go to the places where people are losing their jobs and going hungry. Then we would see if he would be so glib. It is all right to talk here when drawing a big salary. He should go out and see those people who are losing their jobs. The National Energy Program is costing jobs all across this country. He should go out and see that, but he sits there jabbering away. Just the other day a businessman in Standard said that he had cancelled his orders for machines and is not bringing them in any more. Hon. members opposite do not care as long as they get their salary, but a lot of people are going without jobs. Why should they spend their time trying to create jobs in this country instead of thinking up ways of getting more information, more forms more regulation, more government and less gross national product?

The government talks about high interest rates stopping inflation and producing a higher gross national product. Why is that not happening? I do not see any increase in the gross national product. The government should encourage people to invest their money instead of making it almost impossible to do so. It should discourage the flight of capital into the United States. It should find a means to keep our rigs and money in this country instead of sending them to the United States to find oil for that country. If we kept them we would keep enough jobs as well; but this bill does not bring about any jobs. It is complete bureaucracy.

Small business in this country will receive some little benefit from this bill. If we take the minister's word, 70,000 of them will not have to fill out forms in the future. Many of them will still go under, however, because they cannot pay the high interest rates.

The Minister of Finance (Mr. MacEachen) has said that the small business development bond will be helpful. It might if it were made available to everyone, but so many stipulations are attached that it is valuable to only a handful of people. A company has to be incorporated before it can receive benefit from that legislation. But thousands of farms and businesses in this country are not incorporated, Mr. Speaker, so they cannot make use of the lower interest rate of the small business development bond.

The Minister of Agriculture (Mr. Whelan) made reference to the Farm Credit Corporation. That is a good organization and is useful to those who qualify for loans. But thousands of people do not. Sometimes it runs out of money before it can even start to deal with the line of applicants who want to develop their farms.

Small business is looking in vain for some help from this government but all it is getting is a regimented society. The inequalities and the gap are becoming greater and greater all the time. That situation was outlined a few moments ago by

the hon. member for Broadview-Greenwood (Mr. Rae) so I will not go over it again.

Instead of being anxious to get hold of Alberta's wealth, I wish the government would show a little interest in helping the other provinces to develop their resources and get things going in those provinces. That is what we need in this country. Thousands of other people would do the same thing if they were in this House today. They are sick and tired of regimentation, sick and tired of the government wanting to distribute wealth all the time.

Why does the government not help the provinces to create wealth? Each province in this country has a lot of potential. Would anyone invest their money under this government? No. It talks about Canadianization and nationalization and about how much it can get hold of, how much it can take. It takes and takes and takes, as it is doing from gasoline prices today. People are now waking up to the fact that the government has already gone way beyond the 18 cents per gallon that it denounced so wildly in the PC budget. It denounced that and now it is collecting far more.

The government talked about the "Tale of Two Cities" when it wanted to take one pound of flesh. It will take the pound of flesh and the blood and the bones and the grit as well. It wants the whole works and that is what is destroying this country today.

If the provinces were encouraged to develop their natural resources and if the people were encouraged to keep their money in the country instead of investing it in other countries such as the United States, and if our rigs were encouraged to stay here, things would be better. But the government will not even enter into an agreement with Alberta for oil at $20 per barrel. It is quite prepared to pay foreign countries $40 and $45 a barrel. But that would interfere with the government's plans for disunity in this country. The government would find out that small business would develop by the hundreds in this country if the incentive was there. We should have a bill to help develop our resources and do away with some of the inequalities.

• (1550)

The CALURA bill is going to make more book work for our unions and companies. It will not create any jobs in the country. The CALURA bill is not that important. I would rather have had a bill which would create wealth instead of bills that snatch on to some of the wealth after it has been created. We need a bigger gross national product, not a smaller one. That will not be done by regimentation but by encouraging people to invest their money in this country. That will be done by encouraging our people to use their creative abilities, our technological advances and our research. If we can do that, we can get this country moving again. But people look in vain for anything like that from this government.

Encouraging people to invest and use their creative abilities will build stronger provinces and a greater nation. But this government wants a central government which is going to control everything. This government does not care two hoots what it does in trying to reach that objective. It will destroy the provinces. It will separate the country if necessary.

That is the sad story of what is happening in Canada today. It is a sad story about a government which does not care, that does not listen but is determined to build a centralist organization. The longer this government can keep each province in poverty, the better it likes it because then the government can say, "We will give it to you." Then when you get your bread from the government, you do what the government tells you to do.

Mr. Gordon Towers (Red Deer): Mr. Speaker, one of the great fears that we as members of Parliament have in opposition is the method of intrusion that this government is embarking upon into the Canadian way of life. This is not only in intellectual property or corporate property, but into the very privacy of our lives. Every aspect of our way of living is now being scrutinized by some government official. This has never happened before in Canadian history, but it is certainly very obvious that the government is now making a very major intrusion into the sanctity of the Canadian way of life.

For instance, the Constitution is a perfect example of what the government is up to. Bill C-57, which is to be voted on this evening, is the last chance, our last swing, that we will ever get as to what the government is doing in that legislation. It is very obvious what the government is up to. It is trying to get total control of our Canadian way of life.

It started some years ago in our armed forces. We saw centralized control. The three commanding heads of three departments were taken away and put under one head. Therefore, it is much easier for a centralized government to control the armed forces. This is happening all the way through our system. There are suggestions in this bill. I will read a portion of it to show what the government is doing. On page 11, Clause 2, we find the following sub-paragraph:

"(viii) the name and address of each employer resident in Canada with which the union or a local union or branch of the union has a collective agreement, and the number of male members and the number of female members of any local union or branch of the union covered by the collective agreement—

What difference does it make whether a member of the union is male or female? Surely they are entitled to be classed as a Canadian citizen and they are entitled to the right to membership in a union if they so desire. Why should the government want to know that? It means the records are always changing. As my colleague from Drumheller said, in some corporations there will have to be an extra person charged with the responsibility of keeping all the data up to date and filling in the questionnaires. All the costs associated with that will have to be added to whatever business it is. If it happens to be a labour union, the dues will have to go up. If it is a corporation or whatever, the cost will be passed on to the consumer. In summary, this is an added cost to our over-all system.

We have a government which has promised to do away with some of the paper burden. It is not doing away with it fast enough. There is a suggestion that raising the amounts to $150,000 and $5 million will eliminate some people. Yes, it

will. But with inflation as it is, for how long will they be eliminated? This is the question we have to ask ourselves when we are dealing with this type of legislation.

I think it would be much better if the government were to set some guidelines in the area of where it is going to cut back on the demand on the backs of Canadians. The load becomes too heavy. We have to recognize that this is a non-productive part of our business and our economy. What is happening to a greater degree in Canada is that too many are riding on the backs of business and there is not enough productive capacity. There has been too much of this tax taking and extra work in paper burden. If the government would change its policy to a greater degree, and much more quickly than it has up to the present time, then we would see Canadian business move ahead more quickly.

We have a $17 billion deficit in manufactured products in Canada. We have over one million unemployed. We have a tremendous amount of potential and we have a tremendous amount of natural resources. All we have to do is put those three together and we will start to resolve some of our major problems. This is the direction in which the government should be going. It should not be putting the extra load on to corporations that are struggling as a result of having to comply with government policy. This is one of the reasons we see so many of our corporations moving out of Canada, either going to the United States or, in some cases, to South America.

If many of these people involved in the corporations were assured that the information being given was relevant and would be used properly, that information would be given much more graciously than it is being given at the present time. We have to be careful. I must warn this House that, in my opinion, we have to be very careful when we allow governments to collect information, in view of what can be recorded now by various methods. Various people are able to have access to a computer system of knowledge. Who knows what will happen as a result of bringing all this information together? It has not been proven to us in the opposition nor to Canadians generally that there is a requirement for the massive interventionist attitude upon which this government has embarked. It is not only destructive to our Canadian way of life but it creates a fear. There is a lack of confidence on the part of many Canadians as to what the government is doing by collecting this information. I do not like what is happening.

● (1600)

As I said earlier, tonight we are passing Bill C-57. That bill makes a major intrusion into our Canadian way of life in a manner never witnessed before in Canada. One of the best examples is the newspaper industry. For the first time ever, civil servants with their rulers will be making assessments in the newspaper industry. For the first time ever we are going to have government inside the press rooms of our country.

I must impress upon hon. members the danger that creates for our Canadian way of life. Freedom of the press is one of the basic freedoms of this country. However, we are now going to have a bureaucracy moving into our press rooms. That is very wrong. No doubt this data will all be collected so that when the time comes, and we hope this will never happen, a centralist government will have when it wants this centralized power. We have seen in our lifetime the dangers of centralizing power, knowledge and important information. I am convinced the Canadian people are travelling in the wrong direction under the administration of the present government and the centralist way they are being led.

I thank you, Mr. Speaker, for the privilege of bringing this to the attention of the House. It is something I hope members opposite will give consideration to because their freedom is as much at stake as mine.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to make a few comments on this very important bill. It is not receiving the attention in the media that it should. Perhaps many of them do not understand the seriousness and the complications of the legislation, which was pointed out by the hon. member for Red Deer (Mr. Towers).

Our lead speaker, the hon. member for Capilano (Mr. Huntington), gave an example of what is happening under this government's regulations. I quote from his speech of June 17:

> In the Thirtieth Parliament when I was doing work on a street view of corporate concentration, what attracted me to CALURA was four or five small businesses in Quebec which had been taken to court and fined under the powers of CALURA. Some of those businesses no longer exist. In fact, I do not know if any of them do. Those little businesses had to pay fines of $700 or $800.

Here is the startling point in the hon. member's remarks:

> On the other hand, while doing my work on corporate concentration, I found that the holding company for Power Corporation had never filed under CALURA. If Power Corporation or the holding company had been treated in the same manner as these small businesses, which the government likes to talk to about protecting and reducing the burden on so much, the holding company for Power Corporation would have been subject to fines of over $3 million. However, they were not taken to court.
>
> CALURA has been on my mind for some time. It is an important piece of legislation that has not been attended to for some time and that needs amending.

For many years it has been Liberal policy to be on the backs of small business. That is a classic example. It takes from the little guy and gives to the huge Power Corporation of Quebec.

We agree with the reporting part of the bill as well as that of union reporting, but not with the information aspect which demands that an inventory of technological information, intellectual property, trade marks and patents and so on be reported. It is highly interventionist.

This is an omnibus bill just as so many others have been. One example is Bill C-57, which automatically increases taxes for the handicapped, the beer drinkers and other groups across Canada. The element with regard to fines is overpowering for small business. There are excessive fines of $250 per day for not providing information. Under the metric law to be forced on the Canadian people, there will be heavy fines and jail sentences for those who do not comply.

Because the Liberals had to have their Constitution passed, Parliament is being forced to rush through important legislation such as this without giving it proper attention. It is not so much the bill we are opposed to but rather the way the Grits

will use the information. This bill will curtail individual rights and freedoms by unduly restricting and overextending the requirement of the reporting responsibility of small business.

I will give a few examples of over-regulation. The National Energy Program is having an absolutely devastating effect on the nation's economy, especially in my province of Manitoba where it practically closed down the whole oil exploration industry just as it was getting going. There could have been a real economic boom in Manitoba but this ridiculous NEP over-regulates the oil industry in the province of Manitoba and other provinces and is bringing the industry to a grinding halt. It only helps the economy in OPEC countries such as Venezuela and Mexico.

This is an interventionist policy of ill repute which threatens the theory of free enterprise. It is completely non-voluntary and requires an overly large amount of information. There is some connection between this bill, the strengthening of FIRA, the Competition Act and some provisions of the Constitution which impede the natural rights of Canadians. This type of legislation will make the empire builders within the Liberal government happy. It will give them a lot of work to do.

● (1610)

To give another example of what the National Energy Program will do and what it will cost the Canadian people, I want to quote from the June 6 edition of the Edmonton *Journal:*

> It should be clear that Canadians are paying $43 a barrel for oil we had offered to sell last year for $20 a barrel.

That is a quote from the Alberta energy minister, Mr. Leitch. We can see what all this regulation is doing. It is a fantastic cost to the Canadian people. This overregulation interferes with the free enterprise system across the country. The literature being distributed in the ridings across the country of Liberal members of Parliament gives a completely false interpretation of the National Energy Program and the serious effects of the regulations contained in it. This literature talks about security as follows:

> Canadians will again control their energy future through security of supply and independence from the world oil market.

That is a false statement. We are importing more and more oil. It is costing Canadian taxpayers $500,000 an hour to import foreign oil. Under the regulations made under the National Energy Program, by 1990 it will cost Canadians an additional $182 billion a year to import oil at heaven only knows what price per barrel.

The Liberal propaganda says the following about opportunity under the new energy regulation program:

> Canadians will now have real opportunity to participate in the energy industry and to share in the benefits of industry expansion.

That is absolute rubbish. I have documentation here which shows that over 100 businesses in Alberta—and this is a statistic just for one individual area of Alberta—will be experiencing layoffs and cutbacks because of the new regulations contained in the National Energy Program. Where is the opportunity for them? This energy program provides a great opportunity for the United States, and that is where most of the industry is going. Under "fairness" the propaganda says, and I quote:

> Canadians will have a petroleum pricing and revenue-sharing regime that will be fair to all Canadians regardless of where they live.

What is fair about Canadian taxpayers having to spend $43 for a barrel of oil brought in from Mexico or Venezuela or other OPEC countries when it could be bought here in Canada for $20 a barrel? That is highway robbery. This is the kind of documentation the Liberals are distributing around the country. It is completely false and misleading. Why are they not telling the people about the businesses they are chasing out of the country? Why are they not telling Canadians about the adverse effects their energy policy has on businesses in eastern Canada? Why do they not tell that to the people of Ontario and Quebec? They should not be bringing in these ridiculous regulations which do absolutely nothing about energy self-sufficiency in this country.

I would like to give another example of how Liberal regulation affects various businesses. The Chevron oil company in Vancouver volunteered the following information recently: Chevron Canada Limited has to complete 491 monthly, quarterly and annual reports for the federal government which are then inspected by 14 federal agencies, 19 provincial agencies and 8 municipal departments; this apparent duplication of government inspection and excessive paper work must be monitored more closely.

As far as we in the Conservative party are concerned, it should be reduced. We had taken steps to deal with this. Duplication and all this regulation was on the agenda for the first ministers' conference of December 15, 1979. The government of our leader, who was then the prime minister, was going to do away with this waste, duplication and overregulation. We were going to do something about it, but are the Liberals doing anything about it? No, they most certainly are not.

Just recently I learned from the Manitoba Teachers Society of another example. That society informs us that there are over 70 federal agencies involved in education and educational research. The Canadian Parks Association points out that there are over 66 federal government agencies duplicating services provided in the area of recreation. Why on earth do we need that many regulations and that many departments at the federal level involved in recreation and teaching? The bureaucracy has complete control of this Liberal government. This government has allowed the bureaucracy to continue its overregulation and empire building within the departments. If bureaucrats can come up with new regulations or new programs to set up new departments or Crown corporations, they have the full co-operation of the Liberal party.

It is predicted that the National Energy Program and the new regulations I mentioned earlier will cause the loss of 60,000 jobs by mid-summer. I did not see that in the Liberal propaganda being sent out to constituents. Liberal backbenchers should be telling their constituents what the ridiculous program they are forcing on Canadians is doing in relation to

jobs being lost. I would like them to explain to me how the loss of 60,000 jobs will benefit us.

One of the regulations in Bill C-57 imposes another 9 per cent tax on prosthetic devices. These devices are used by the handicapped. Prostheses used on legs and ankles are excepted. This tax was soundly criticized in the House last week as a blatant slap in the face of the handicapped during the International Year of the Disabled. This government is imposing additional taxes through regulations which will be passed year after year. Taxes will be increased by order in council. This government will not have to come back to Parliament. There will be more regulation and more taxation without even having to come to this House. The government is going to tax artists who create original prints. This will affect members of Eskimo co-operatives in northern Canada whose prints are considered highly valuable works of art around the world.

Nobody escapes the clutches of this Liberal party. The newspaper industry has expressed grave concern about a 9 per cent tax on advertising supplements which, the industry says, threatens its livelihood. This government is threatening everyone, regulating everyone and taxing everyone.

They say a picture is worth a thousand words, and I would just like to refer to a cartoon which was in the Winnipeg *Free Press* last week. It showed three thugs in a jail cell along with a little Canadian citizen. He had just been put into the cell with them. The three thugs asked what he was in jail for. "Oh," he said, "I would not tell the government how many toilet seats I have". The census which is being taken now and other individual surveys in the past have required information respecting how many bathrooms people have and how many toilet seats they have. This is absolutely ridiculous. We never get any explanation of what this information is needed for. This will not create jobs, lower taxes or do anything of the kind.

The ECC recently released a report about regulation. It pointed out, and I quote:

> The question is, are the hurts worth the gains you get, can you properly concentrate or take it easy?

The council pointed out that what we need is more productivity and less regulation.

A report in the *Toronto Star* said this about this Economic Council report:

> —while the Economic Council's provocative report sounds a timely note of caution on the subject of government regulatory involvement in the economy, it also underlines the importance of those regulations that ensure all Canadians a better quality of life. Reform should be on the agenda, but not hastily.

The ECC also point out in an article in the Montreal *Gazette* of June 15:

> Overregulation of the Canadian economy costs several billion dollars a year. That is perhaps $120 per Canadian, perhaps more—say, $500 a year for a family of four. Most of that money comes straight out of our pockets, not governments'.

All it is is job-creation programs thought up by empire builders. I do not know why the Liberals are not commenting on this today. It would be nice to know how many Liberals in the House support these regulations, how they can justify costing a Canadian family $500 a year. Do they actually support this type of program? If they do, let them get up and give us an explanation why. We do not see the need for them at all. We do not see a need for finding out how many bathrooms and toilet seats people have, Mr. Speaker.

● (1620)

The Winnipeg *Free Press*, in an editorial on June 11, has pointed out their feelings on the reforming of regulations, as follows:

> —the Economic Council of Canada has offered some sensible recommendations aimed at creating compatibility in the marriage that exists between the Canadian economy and the regulations that affect it. The recommendations suggest moves that could make the marriage work to the better satisfaction of both parties, rather than advocating a quick and final divorce.
>
> It urges the abandonment of regulations that have lived longer than the problems they were designed to correct, and the provision of flexibility in others to reflect the changing conditions of the marketplace.

Most people feel this document on reducing regulations is going to be put on the shelf to gather dust. I certainly hope that is not the case.

I have referred to this before, Mr. Speaker, but I think it is worth mentioning again. Some citizens are so concerned about government regulations that they are putting full page ads in newspapers. The Citizens' Coalition had an excellent one recently: "Do You Believe This Man?", and his ridiculous NEP and regulations costing Canadians billions and billions of dollars to pay for foreign oil. There are a lot of people examining what this Liberal government is doing, and they are putting their money where their mouth is by paying for ads concerning these ridiculous programs and regulations.

An excellent document has been brought to my attention recently concerning the impact of the federal budget and the rules and regulations regarding the NEP. This document shows 41 oil service companies in Nisku Park in the Wetaskiwin area of Alberta affected by the NEP regulations. It goes into some detailed explanation as to the effects in branch offices where there will be lay-offs and closings. The document points out a loss of operations in Canada and gives statistical information on companies being driven out of the country because it is going to be more beneficial to operate in the United States. I do not know how on earth that is supposed to help Canada.

The document also points out how the regulations are going to affect employment, and it gives one example of 255 jobs lost amongst Nisku firms with an additional 173 jobs lost at branch operations. Considering the large amount of oil service and related firms in Alberta, these figures from only 41 firms represent a great loss of jobs throughout the province. There is no loss of jobs in the OPEC countries, Mexico or Venezuela because of these regulations. They are very beneficial to other countries.

It then goes on to list the effect on other industries. These are not general statements, Mr. Speaker; companies are named. Here are just a few of the affected eastern Canadian suppliers: Algoma Steel, Allen-Bradley—maybe some of these businesses are in Liberal ridings and they could check them

out. AMP of Canada, Arnie's Trailer Sales, Atlas Chemicals, Atlas Steel, Border Brokers, Brown Boveri Canada, Browning Manufacturing, B. & W. Heat Treating, Canada Cement, General Electric, Canadian Industries, Canadian Liquid Air, Canadian National Railways. Nobody escapes their clutches, Mr. Speaker. Canadian Timken, Cessco Ltd., Cooper Energy, Dacro Industries Ltd., Dominion Bridge Company Ltd., FAG Hearings, Federal Mogul, FMC Link-Belt, Ford Motor Company, Gates Rubber, GMC, Hay's Trucks, IHC Truck Assemblers, Kenworth Trucks, King Tractor Manufacturing, Nelson Building Components, Penn Dome, RHP Canada, Roadmaster Trailers, Safety Supply Canada, Steelco Steel, Stelco Canada Ltd., Steldor, SKF Canada, Timkin Ltd., Tarrington Inc., Volcano Boilers and Westinghouse Canada Ltd.

That is just a sample of 43 eastern Canadian businesses affected by the situation in one federal constituency in Alberta. There are 18 more. Then there is Saskatchewan, Manitoba and all the rest of the areas affected by these ridiculous regulations of the NEP.

These are some of the general industries in eastern Canada affected by the NEP. Electrical suppliers, hose and fittings manufacturers, lumber firms, oil field equipment and suppliers, packaging, paints and supplies, steel building manufacturers, steel mills, tire companies, trailer companies, wire rope companies. The people in Ontario should be up in revolt and hounding every Liberal MP out of his seat. This Nisku group also pointed out:

> As a result of cutbacks or cancellations of purchases by the 41 companies responding to our survey, $1,470,000 in revenues was lost by eastern suppliers in the last quarter of 1980. Forecasted cutbacks in purchases to eastern suppliers in 1981 will amount to approximately $20 million from these 41 firms.

Then 55 Alberta firms affected are listed, Mr. Speaker. Every type of industry is affected by the ridiculous regulations of the NEP. They also list the general industries in Alberta that are affected. Building contractors, electrical contractors and suppliers, fabricators, fittings distributors, lumber firms, oil well firms, plumbing suppliers, trucking transportation companies, warehousing and welders. It also spills over into area motels, restaurants and truck service stops which rely on the oil industry.

So you can see the importance of removing a lot of these ridiculous regulations. This is just an example of how it affects Canadian industry, Canadian workers, and the cost to the Canadian people of the Liberal party's programs. If we are wrong, if all these firms are wrong, if everybody in Alberta is wrong, then some of these Liberals should get up and tell us what benefits there are in this ridiculous program.

The Nisku group also point out the multiplier effect of the NEP. Shown losses of revenue are direct—

The Acting Speaker (Mr. Ethier): Order, please. The Chair has been listening quite attentively to the hon. member and I hope in the remaining minutes he will be able to relate what he has said concerning these companies and so on to Bill S-10, which is now before us.

• (1630)

Mr. McKenzie: Mr. Speaker, I can explain it quite easily. It is the regulations contained in the new National Energy Program, and the bill we are debating today deals with regulations. This is an opportunity for us to talk about regulations and to point out how they are hindering Canada's growth, with lay-offs and businesses being driven out of the country.

In conclusion, I should like to give an example of the multiplier effects of these regulations upon small Canadian businesses. Earlier I referred to the Chevron oil company and the Manitoba Teachers' Society and how they require additional staff. It is just a quagmire for them. The shown losses of revenue are direct and do not include multiplier effects. For example, a loss of sales by Algoma could lead to a lay-off in Ontario, which in turn could lead to a new car or other durable not being purchased. Subsequently a lay-off by automotive manufacturers could occur and so on. It is impossible to generate accurate figures on the loss to the Canadian GNP which might be directly or indirectly attributed to declining purchases by the 41 companies surveyed. However, the total will be far in excess of the $50 million estimated for 1981.

I hope I have made clear the effects of the regulations in the National Energy Program and all other regulations, whether they are concerning education, oil companies or whatever. I hope we hear a government announcement one of these days that it will pick up the program the Conservative government would have started, that is, meeting with the provinces to eliminate excessive regulations and duplication among all levels of government. It would be an excellent start. At their Liberal caucus meeting this week, they should band together to get the Minister of Energy, Mines and Resources (Mr. Lalonde) to withdraw immediately the National Energy Program. It would be the greatest contribution they could make to Canada in their lives as parliamentarians.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, it is a pleasure to speak this afternoon on Bill S-10. CALURA was first passed in 1962 to collect officially information on certain corporations and labour unions in this fair Canada of ours. I understand this is the fourth time the bill has been before Parliament; obviously it is in need of much debate. It looks innocuous but it is not. It should have afforded uninterrupted debate in the House because of its complicated nature. I am sure hon. members have not had time to digest fully the entire bill in the short time it has been before us.

The present government has the undesirable habit of allowing this type of legislation full of amendments to slide by Parliament. It also adopts the dangerous practice of invoking Standing Order 75C. We have seen bills such as this omnibus style bill in the House. We have seen them many times before, vis-à-vis amendments to the Criminal Code in 1968 and the metric bill. This legislation requires a lot of debate.

Mr. Blais: Mr. Speaker, I rise on a point of order based upon the comments of the hon. member. There is still commit-

tee stage and third reading in which to discuss this particular bill. Everything is not done in the House on second reading.

Mr. Knowles: There is the report stage as well.

Mr. Blais: Yes, there is the report stage.

Mr. Stewart: That sounds like a Liberal point of order.

Mr. Blais: That sounds like a Tory comment.

Mr. Stewart: Particularly small business has been fined under CALURA, not the bona fide large corporations such as the Power Corporation which was mentioned a few moments ago. As I said, we are sliding down the slippery road to a unitary state. We are becoming a controlled society. We are controlled more and more by the present government.

When we received the Right Hon. Prime Minister (Mr. Trudeau) in the House in 1968, we also received 1984 early. Since he assumed office, the state has encroached more and more upon business and upon our citizens, as per this bill. "Big Brother" is constantly looking over our shoulders, with a survey here and a questionnaire there, just as this bill indicates. Consolidated financial statements will be obtained directly from enterprises through questionnaires—state interference. Approximately eight existing questionnaires will be integrated into one, supposedly to reduce the paper burden. The point is that they are questionnaires and they represent going into patents and other such items—straight intervention in our system.

We have heard much about the need to lessen the paper burden on business, but it is only lip service, as any businessman will tell us if he is questioned. It is only government public relations in action. There is a lot of it going on now and government has become the biggest advertiser in Canada. The fact is that the paper burden is not being lessened, it is being increased.

The private sector of the country keeps the country in spending money. It generates the wealth which unfortunately the government dearly loves to redistribute. The government fails to realize—especially those members opposite who have never been in business—that it has been slowly strangling the goose which lays the golden egg with overregulation, big brotherliness, government interference, crippling taxation, direct and indirect, and the lack of an industrial strategy. Where is the industrial strategy about which we have heard so much? I have not seen it. Also it neglects research and development. We all know what a half of 1 per cent in research and development will do for the country. It will do a lot more than Bill S-10.

Through its ambitious social programs, more ambitious than those of our wealthy neighbours to the south, the government has chipped away and eroded the work ethic of the entire country. It is a sad thing to see in the youth. The government has made it more attractive financially to collect UIC than to work. Now we are faced with Bill S-10. It has placed a staggering debt load on the backs of Canadians. Our taxes are high enough but our real tax toll is the combination of corporate and personal income taxes, the accumulated debt, and the oil and service charges which must go to discharge the tremendous borrowings of this great Big Brother.

I do not believe anyone in the government actually calls out for the business community. No one in the government understands what it is like to attempt to make it in the cold, corporate world of big or small business. Canadian business needs a hand up, not handouts. It does not need Bill S-10 to overregulate it. Canadian business needs the government off its back. Canadians need an end to the Big Brother phenomenon.

I have a speech which was made by the former president of the treasury board. It is entitled "How we became a socialist state". It pointed out the encroachment of government, through legislation such as Bill S-10, to compile information which is not needed to run the country, for it to be rich, powerful and strong again. It is encroachment of government; it is intrusion of government. It is the imposition of government will against that of the business community. Bill S-10 is just another law restricting our rights. We do need acts restricting corporations and the creation of wealth. We need greater production, not another paper burden.

Every move of the government is toward centralization. This was pointed out time and again under Bill C-48, another form of overregulation. As a small businessman I am confronted with capital expenditures. It is bad enough to cope with a 20 per cent interest rate, let alone cope with the bureaucracy of increasing paper burden and less rights.

This bill is more interference in the Corporations and Labour Unions Returns Act. It is government poking its nose into the business of private corporations. It is regressive, not progressive, legislation. I presume Bill S-10 is the preamble to the introduction of the Competition Act, and Lord knows what we will find in it.

The information aspect of CALURA frightens me. Will the financial statements of corporations be made public? Who will get their hands on this information? Multimillion dollar corporations file, others do not. It makes one ask why. Who can have the information in this bill? Obviously the government, but who else under section 8? I do not know.

The current definition of "labour unions" liable to report under the act is being improved to cover all labour unions with one hundred members or more resident in Canada. Supposedly, this was to ensure the widest possible coverage and, hence, completeness of data on labour unions. This is nothing but more government interference.

● (1640)

Why does the government need such information? International unions will report all direct receipts from their Canadian affiliates and all expenditures directly attributable to their operations in Canada. Is this not denigrating some of the great labour unions? Also, all unions will report information separately on each of their special funds, such as pension and strike funds. Why is this necessary? It is just more government interference. This provision was supposedly to broaden the

reporting of financial data. I guess it will. It will permit a better presentation of union finances. It will interfere with every union in this country. The government will be in their hip pockets and looking over their shoulders every waking minute. Membership data of individual unions will be made available to federal and provincial government departments for analysis and publication purposes, thereby reducing possible duplication of reporting by union locals. Where are the magnificent benefits to the unions in this bill? I fail to find any in what I have just stated.

From looking at this bill it appears to me as though international unions are coming under special reporting conditions. Even their strike funds will be affected. I do not think we want that situation in Canada. The government says that 70,000 small businesses will not have to report, that the paper work will mysteriously disappear. I think everyone on this side of the House knows for sure that will never happen. The provisions have been changed from reporting $250,000 in assets and $500,000 in sales to $5 million in assets and $10 million in sales. In my view, that is not an improvement. It smacks of crass socialism, of government riding shotgun on technological transfers. It all adds up to one thing—government intervention, stateism, centralization, nationalization, whatever you want to call it.

Bill C-48 was mentioned by my colleague from Winnipeg. He said the provisions therein were not for Canadianization but purely and simply for nationalization. Bill C-48 smacks of government interference, just as Bill S-10 does. This is overregulation, which is driving our Canadian dollar crazy and causing our interest rates to climb. I am wondering what this House is all about if it is not to debate bills to tremendous importance such as Bill S-10. In my view, Canadians are over-regulated and we will be more so once Bill S-10 is enacted.

It has been estimated that every man, woman and child in Canada could be regulated by government up to a value of $500. It is estimated that the cost of importing foreign oil to every man, woman and child in Canada is $150. Recently a representative of General Motors came to speak to our caucus. If people understood the costs of a General Motors car which are directly attributable to government regulation, they would be staggered. We have socialist, stateist policies. Our country was not built by overregulation or by government interference in our unions.

If we took the earth's surface and reduced it to one little country of a square mile and one tenth, with a population of 1,100 we would find that of those 1,100 some 22 would be communists, 440 would be under the direct control of communism, and 814 would be ignorant, poor or hungry. Only 286 would have sufficient food, clothing and shelter. Of the 1100 some 66 would be North Americans. Those 66 North Americans would own just 6.6 per cent of the land and 58 per cent of the wealth. They would produce 37 per cent of the food and electrical power, 50 per cent of the copper, iron and steel and 34 per cent of the coal. They would own 66 per cent of the automobiles, telephones, radios and televisions.

That will not be allowed to carry on if we have much more overregulation of our industries through measures such as Bill S-10. Those 66 North Americans would have 11 times more orchestras, groups, schools, museums, books and laboratories. That has been our legacy as a free enterprise system. The 66 North Americans would have 17 times more personal possessions than the other 1,034. A full 99 per cent of them would own a refrigerator, a telephone and a television. Some 80 per cent would own a washing machine and 92 per cent would own at least one car. Some 55 per cent of the goods in the world in the last 10,000 years have been produced in North America over the past 200 years.

Those are amazing facts, Mr. Speaker. Is this the result of socialism, state control and such measures as Bill S-10? No, Mr. Speaker. It has been accomplished by free enterprise, something the government across the way has forgotten. We must remember that as Canadians we are 10 per cent of the population figure I have just mentioned.

Why have Canadians been great? And we are great. It is because so far we have been free. We have not been overregulated. We have not had socialistic points of view forced on us in the past, as we are having them forced upon us now. We have been free to live and work under the free enterprise system.

Another word which I think members opposite have forgotten in their zeal for overregulation is the word "profit". It is a sad thing that too many people today have forgotten that word, including high school and college graduates, bureaucrats, members of Parliament including the entire New Democratic Party. Bill S-10 is designed to overregulate on the one hand and deregulate on the other. It does not assess what we really need, which is an increase in production. A great many people in this House, especially hon. members to my left, think that a capitalist is an elephant jumping up and down in a yard full of chickens screaming "Every man for himself". To them, making a profit is a vice.

Winston Churchill is a great favourite of mine. One of the best quotes of his was not the one about fighting on the beaches or "Never in the field of human conflict has so much been owed by so many to so few", but "It is a socialist idea that making profits is a vice; the real vice is making losses". This government is making a loss by overregulation, by centralization and by taking us down the slippery road to socialism. The facts of life are that nothing happens until something is sold. By overregulating industry you do not sell things. You do not have a productive country. The socialistic policies in the handouts which this government makes are in some cases much needed, but we cannot afford to make them in this country because of the huge deficit we have incurred unless we increase productivity and meet the situation head on.

The facts of life are that profits make everything happen in our society. Without profits nothing happens. Our present government is not profiting. It must be made to take a look at the economic fiasco it is making of our free enterprise system. It is hitting at industries by giving more paper burden to corporations such as General Motors. Our gross national

product is at a standstill, and now we are faced with Bill S-10. We are in a deficit position of $15 billion this year alone and we owe another $101 billion in gross debt. Isn't that a great legacy for my children?

• (1650)

Right now it takes more than 20 cents of every tax dollar to pay the interest on the national debt. And we want more regulations, we want S-10! It is suicidal. We have an energy bill to nationalize the oil industry. It is a good job it was amended, because before it had actually got to the point of confiscation of 25 per cent of the private enterprise land rights. Thank God for small mercies on that one!

We have before the Supreme Court of Canada a resolution, not a bill, to patriate unilaterally. Again it is overregulation. It is another form of S-10. Have we not learned what happened in the U.S.S.R.? It was once a net exporter of food, the bread basket of Europe; but what is it now? It is a net importer. Look at the difference between East and West Germany. How many S-10s do you suppose they have? They do not have very many, I will grant you that. Free enterprise is plenty in the West, but there is a downtrodden, state-controlled, near-starvation populace on the other side of the wall in East Germany.

Look at Britain. Will we not learn what happened to it when there was state control? I do not think we have learned our lesson very well. The leader of the Labour party, Aneurin Bevan, once said of Britain:

This island is almost made of coal and surrounded by fish.

Only an organizing genius could produce a shortage of coal and fish in Great Britain at the same time. After a few years of that overregulated, S-10 style government of those socialists in Britain, there were shortages of both fish and coal in Britain. By 1976—

[*Translation*]

Mr. Blais: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The hon. the Minister of Supply and Services on a point of order.

Mr. Blais: Mr. Speaker, I rise on a point of order to indicate to the hon. member that Bill S-10 has nothing to do with regulations as such. I am delighted that he should be making a great speech on the recent report of the Economic Council of Canada but Bill S-10, on the contrary, is intended to reduce the obligation of Canadian and foreign companies to file various forms and therefore corporate organizations will have fewer obligations to provide additional information to the Government of Canada.

The Acting Speaker (Mr. Ethier): Order, please. The remarks of the hon. minister have been fully understood. That is precisely what I did earlier when I urged the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) to limit his remarks to the bill under study, Bill S-10. I would therefore invite the hon. member who now has the floor, the hon. member for Simcoe South (Mr. Stewart), to do the same thing.

[*English*]

Mr. Stewart: Mr. Speaker, the corollary between S-10 and what I have been saying is very evident to anyone who sits on this side of the House. It is overregulation.

Mr. Blais: You did not even read the bill.

Mr. Stewart: I have read the bill, believe me!

Mr. Blais: Show me where it deals with overregulation.

Mr. Stewart: The hon. member will get his chance. I am on my feet at the moment; just listen.

An hon. Member: Oh, my goodness, the arrogance!

Mr. Stewart: Mr. Speaker, overregulation in S-10 or in any other form of government is what is killing us in Canada. It is centralization. The bill kills the spirit of unionism and it kills the spirit of everything we are trying to do in this House.

I mentioned the fact that profits are very definitely tied to a bill such as S-10. We have to the south of us a President who wants to control and balance a budget. He wants to reduce inflation. But this is not the case here. Our present government is leading us down the garden path of socialism, not to Utopia but perhaps to Armageddon.

Mr. Blais: A point of order, Mr. Speaker. I would like the hon. gentleman to indicate in this debate where the issue or the question of socialism versus capitalism is affected by any of the provisions of this bill.

The Acting Speaker (Mr. Ethier): It is very difficult for the Chair. I invited hon. members on two occasions to address their remarks to the bill. Perhaps those who read *Hansard* later will analyse it in their own way. The hon. member for Simcoe South (Mr. Stewart) still has the floor. Again, he is invited to address his remarks to Bill S-10.

Mr. Stewart: Mr. Speaker, I thank you very much. My whole preamble was directed directly at the bill and taken apart. Now I am referring, through overregulation and state control, to that bill.

I would like to make in conclusion six points. If we are ever to get anywhere in this country and come back to deregulation, to profitability, and to the matters which this bill and others should be addressing themselves, we must recognize that we are in the hands of a socialist government and do something about it. We must support all kinds of things which will cap the teeth of inflation and government spending, stop the overregulation of our wonderful industries, and which will not interfere with unions doing their job to increase productivity, which this type of bill will do.

The causes of inflation are myriad. We have too much regulation by government. That is the real point. Thomas Jefferson summed it all up by saying:

The government's job is to keep men from hurting one another but to leave them otherwise free to regulate their own affairs.

Is that direct enough, hon. member? Too much government is the cause for many business failures today, and also increases inflation by 2 per cent. Check that.

There is too much expansion of government. Too many of our people are eating from the public trough. There are too many free lunches. The job of government is not to confer happiness upon us but to give us opportunities to work out happiness for ourselves. Any government which is big enough to take things away through a bill such as this is also big enough to destroy us. Let us turn government away from the big unions, the big educators, the big consumer advocates, the big interest groups, which are the regulators, the welfare recipients and all those who espouse big government, and turn it toward the great percentage of Canadians, the small businessmen and the free enterprisers who provide the production and pay the bills in this our society.

My goal sitting in the opposition is to stop the socializing of your country and mine, Mr. Speaker, to support a strong defence policy—if I might pop that one in—to fight inflation, to reduce taxes and lessen government regulating influences, and to stop the expansion of big government through bills like S-10. In other words, fish or cut bait.

Mr. Blais: A point of order, Mr. Speaker. Again on a point of order, dealing with relevance it is evident that the hon. gentleman has not read the bill. This bill aims to return CALURA to the status it was in prior to 1965, namely, the bill which was passed by John George Diefenbaker. Unless the hon. gentleman wishes to equate John George Diefenbaker with creeping socialism, I think that the hon. gentleman should withdraw every one of those allegations that he has just made.

Some hon. Members: Hear, hear!

Mr. McKinnon: Mr. Speaker, on a point of order. I am sure the minister would not deliberately mislead the House, but John George Diefenbaker to my recollection was not the prime minister in 1965.

I would also like to point out, relating to a previous point of order, that this bill did not create difficulties for business. Several sections of the bill require a return comprising a set of financial statements, a balance sheet, a statement of income, and the entire bill goes on with additional returns required for business. Surely the minister has read the bill, I would hope, and would have noticed this.

Mr. Blais: On a point of order, please—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Blais: On the same point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Blais: The bill was passed in 1962, it was amended in 1965—

The Acting Speaker (Mr. Ethier): Order, please. Now hon. members want to enter into a debate. The hon. member for Simcoe South.

Mr. Stewart: Mr. Speaker, I have read the bill with interest and I quarrel with the formula of it, as I have stated continuously throughout this speech. I will conclude with the old saying, as a former salesman, that "Old salesmen never die, they just go out of commission". That should make the hon. member happy! These things that I have mentioned cannot happen to us.

Mr. Blais: That is as relevant as his comments.

Mr. Stewart: However, Edmund Burke, a conservative philosopher of the eighteenth century, once said:

The price of freedom is enternal vigilance.

That is what we are trying to do on this side of the House, Mr. Speaker.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I was involved in a debate last week which caused me at the time to raise the question of why the government should decide at that time to introduce the matter then before the House. This was either on Monday or Tuesday of last week. It was Monday, because that was their allotted day, so to speak, and they decided to talk about foreign affairs, and to go on from that to the North-South dialogue.

I asked a question right at the outset of my speech then. I asked why the government should have decided to introduce at that time for the second time in a decade, by a government motion, a matter for debate covering foreign affairs. I did not get a very satisfactory answer and I suspected that it had something to do with the delay in the ruling to be handed down by the Supreme Court of Canada.

• (1700)

I am forced to ask again why it is that today, June 22, a bill should be introduced to this House, presumably on the basis of the government's set of priorities, that was passed by the Senate on December 11, 1980. I am not complaining about some of the matters that intervened, but I would ask if the government has nothing more important than this to introduce as we approach the summer recess. It causes me to speculate a little bit about the intentions of the government in introducing a measure of this sort at this time and to regard its priorities as being weird and beyond the comprehension of an ordinary citizen such as I.

I should like to draw attention to another aspect of the preparation and presentation of this bill, Mr. Speaker. When I examined it to see if there was something I wanted to say about it, I took it for granted that it would deal with amendments to the Corporations and Labour Unions Act and, as with other bills, assistance would be provided on the right hand facing page regarding the existing legislation being amended. It may be that bills that come to us from the Senate do not contain such provisions. Nevertheless, I think it ought to be the

rule that when dealing with an amending bill there should be readily available to us, on the right hand page, as is normal with Commons bills, the provisions now on the statute book which the bill is intended to amend.

In order to see what this bill aims to do, I had to go back to the Revised Statutes, which are in themselves invaluable but a little bit cumbersome. The text of the act that is being amended appears in the Revised Statutes of Canada, Chapter 31. That chapter, with all its attachments, is 17 pages long while the amendments contained in this bill run to 15 pages. To a considerable extent there are deletions from the original act, but there are also some lengthy additions. All the complaints we have been listening to about reducing the need to report are an oversimplification of the amendments being suggested to the Revised Statutes of Canada, Chapter 31.

The paper burden notion has been before us on many occasions. It is within my recollection as a member of this House that a new committee was set up called the Joint Standing Committee on Regulations and Other Statutory Instruments. I am not a member of that committee. It deals with the amount of regulation of our society that is achieved by ministerial discretion or by statutory instruments which regulate. I shall come to the matter of ministerial discretion and the regulation which the minister may or is required to produce under the amendment before us. Members of that committee ought to be wondering, as I am, why we are adding to, rather than subtracting from, the number of regulations under which we suffer in this country.

The government put up one speaker on this bill. As well, there were complaints and specious points of order in the last half hour by a minister who suggested that the member then on his feet had not read the bill. I wonder whether the bill has been read by anyone at all on the other side.

Is anyone over there aware of any super-regulation being imposed by this bill? The hon. member for Victoria (Mr. McKinnon) mentioned one or two items in the bill and the returns that will have to be made as a result of them. They include the very matters already provided in the Income Tax Act by corporations and unions, and now another element comes into it.

We have just finished the 1981 census, Mr. Speaker. I am sure that every member of the House received complaints of one kind or another about the questions asked in the census. Some of the complaints were like this: "Only a month ago I filled in my income tax return. Why do you have to know the details again? How well are you going to preserve the confidentiality of the information?" The confidentiality assigned to statistics obtained and presumably analysed and incorporated into graphs by Statistics Canada is of great concern to many people. The secrecy element is another concern, and if someone had to fill out the long form, all the particulars of a family, which are none of his business, would be known to the census taker. One wonders whether it is really any business of Statistics Canada to require the information. If someone's income falls within the $10,000 to $20,000 bracket, that is fine; but particulars of gross income were required in some census forms. Therefore, I think we are entitled to ask, and we would be remiss in our duties if we did not ask, the purpose for which all the information required to be produced by corporations and unions under Bill S-10 is going to be used.

• (1710)

I am looking square at a couple of officials who will probably be able to answer that question, but I doubt if there is anyone here in the House who would be able to answer it.

Have these additional bits of material been required of the Canadian people, corporate or trade union, in order to increase the bureaucratic power of some because he finds that he is not quite fully occupied with the material he has available to him, that he would like to get a little bit more? I think that is a possibility. Much of the information could be obtained by cross-checking in a confidential manner with the income tax department. It is within the walls of the Government of Canada. The information is provided in income tax returns. I see no reason why, if it is needed for any particular reason, it should not be transferrable on demand and under conditions of confidentiality from one department to another. But no, we want it all again. Take the small business person who runs a florist shop on the corner. The requirement to produce statistics to the government add overhead in an immeasurable way. I use "immeasurable" in the sense that it is beyond measure. There is no reason why that florist should either have to hire an accountant, on the one hand, or spend hours after closing time to fill out the forms that are demanded by Statistics Canada in order to fulfil their petty dreams or their petty requirements.

There is, as has been said on more than one occasion, an invasion of the privacy of the small enterprise, the corporation or the union in this particular bill. I do see a fairly large component of Parkinsonianism entering into the rationale behind these amendments. It is very difficult to check, of course. Still, I cannot understand why it is there.

With specific reference to the text of the bill before us, I notice Sections 3 to 6 of the original act, Chapter 31 of the Revised Statutes of Canada, are repealed. The replacements are given. Sections 3 to 6 occupy pages 2 to about page 7 in the original document, but the replacement occupy pages 3 to 10. So we have seven pages to replace three. And this is a simplification, we are old, of a bill so as to reduce the amount of reporting required. I question that, given the particulars required. Ones mentioned by the hon. member for Victoria (Mr. McKinnon) are: the name of the corporation, the address of the head office and the manner in which the corporation was incorporated. Surely these particulars are on 80 files in this country, and yet Statistics Canada requires it again? For what purpose? Surely the name of the corporation would suffice?

In addition to that, the bill goes on to ask the manner in which the corporation was incorporated, the amount of the share capital, the number of issued shares and, in the case of corporations having 50 shareholders or less, the number of shares of that class held by persons having addresses shown in

the relevant records of the corporation, and so on. The very reading of these amendments, these shortenings of the original act, in themselves tax the imagination. Let us take the case of a florist, a wholesale flower distributor, or a nursery. Under this act these businesses would be required to produce this material once a year. I ask hon. members why. Why are they being burdened with this nonsense material?

There is another element here which concerns me. It goes back to a matter of ministerial discretion and regulation. On page 8 in clause 4.1(3) we find first:

The minister may, where he considers it advisable, authorize or require any holding corporation to file separate sets of financial statements in respect of itself and its subsidiaries—

Here we have the minister intervening for the first time with a discretionary power. I have already mentioned the problems we have had, and the need to set up a special committee about ministerial discretion. But in clause 4.2(2), again on page 9, we find:

—a return in the prescribed form specifying such information as the governor in council may prescribe relating to transactions involving transfers of technology—

What is this all about? Supposing that a transfer of technology is from Algoma Steel to Ipsco. Is that a concern of any government? This is a business transaction, a transaction between two corporate entities within Canada. Why should they be required to report that? What about a transfer of technology outside of Canada? I see, reading further, the following:

—to the holding corporation or any of its subsidiaries from persons not resident in Canada.

These are business transactions. What is Statistics Canada going to do about this? Is it going to report to the Foreign Investment Review Agency? Is that its policing function? Has it taken on this function? Therefore, we have a dual complaint: ministerial discretion, on the one hand, and the requirement to report transfers of technology, on the other.

Again we find in Section 4.2(2) the following:

—the governor in council may prescribe relating to transactions involving transfers of technology in the reporting period to the corporation from persons not resident in Canada.

Supposing Algoma Steel does get a process from Bethlehem Steel in the United States. Is it required under law to report it to the Government of Canada? I am at a loss to understand why it should. There is no reason at all. I hope some members on the other side will realize what is being asked of our various industries and trade unions. Their privacy is being invaded as never before.

● (1720)

We are now confronted with technological transfers. This bill used to be known as CALURA, which sounds like an Irish folk song, "Calura-lura-lie". With the introduction of the transfer of technology I suppose we will now have to call it CALUTTRA, the corporations and labour unions and technical transfers returns act. I cannot see any other name for it. It destroys much of the harmony of that beautiful, lilting CALURA, but CALUTTRA I suppose it will have to be.

With regard to this technical transfer notion, I realize in one clause there is no requirement—"shall be deemed not to include any scientific or technical description of any product or process". Thank goodness for that. At least copyrights, trade marks and patents are safe.

That still does not explain why Statistics Canada has to know about these transfers, whether in or out of Canada, when they are covered by patents, copyrights or trade marks. However, they seem to feel they need to know. I see the members over there sitting back and not worrying one whit about it, which disturbs and distresses me. I will leave the comments on labour unions to some others.

Section 7(1) of the original act has been amended. There on summary conviction the fine did not exceed $50 for each day of such default. It is not surprising to learn that inflation has set in and instead of $50 it will now be $250 a day. The fine has been increased fivefold since the original passage of the act. Now any corporation that fails to file with the Chief Statistician of Canada its return for the reporting period every year or to comply with subsection 6(2), that is the one involving transfers of technology, will be liable to fines up to $250 per day so long as the default continues. I see by jumping over to page 13 that that same fine, instead of being probably $25 with respect to a union, has gone to $250 for each day of such default on summary conviction if the report has not been produced.

All things considered, I have my misgivings about the need for this bill. I would have been quite happy to see an amendment withdrawing Chapter 31 because it really does not produce much of value except perhaps for the Minister of Finance (Mr. MacEachen) to know where he can levy his taxes. Maybe that is the reason. Maybe at the end of my speech I have discovered the rationale of the whole amendment.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I do not often rise to participate in a debate on this subject. However, the minister having invited me to read the bill, I am unable to resist participating for a very few minutes.

Despite what the minister says, Bill S-10 is a confusing bill that is bound to add a fair amount of difficulty to conducting business in this country. I will try to stick as closely to the bill as I can. I will begin with the definitions and ask the House to note that the reporting period, which is spoken of quite a bit, is different for some businesses and some unions. The definition is a period that lasts not less than 12 months and not longer than 53 weeks after its commencement, and that ends between November 1 of one calendar year and January 31 of the following calendar year.

There are a few mysteries I hope will be cleared up when the minister speaks on this bill about the corporation, which is defined as a holding corporation.

A corporation is the holding corporation of another corporation if that other corporation is its subsidiary.

One should not be surprised that the next section puts it backwards:

A corporation is a subsidiary of another corporation if it is controlled by that other corporation.

That is fine except a little later on in the bill one finds:

—one corporation is affiliated with another corporation if one of them is the subsidiary of the other—

It rather confuses one as to how this could be true if a corporation is a subsidiary of another corporation that is controlled by that other corporation. They should really decide if it is a subsidiary or affiliate and preferably not have both at the same time.

When looking at page 8 of the bill, I became rather concerned about the role played nowadays by the Chief Statistician of StatsCan. My thought here was, "StatsCan, what are you doing?" StatsCan are apparently doing what the Department of National Revenue did heretofore. There was a time when business details were considered confidential to business—industrial confidential. One could ask the Minister of Supply and Services (Mr. Blais) about details of the business conducted between McDonnell Douglas and the Canadian government. He would say he cannot tell you what the bids were on this, or what the bids were on that, or the offers on one plane or another, because it is industrial confidential.

The government insists in this bill that each business must produce, not for the Department of National Revenue but for Statistics Canada, the following:

(*a*) a balance sheet showing the assets and liabilities . . .

(*b*) a statement of investments of the corporation . . .

(*c*) a statement of income for the reporting period,

(*d*) a statment of retained earnings . . .

(*e*) a statement of changes in financial position—

Why does StatsCan need this information? The Department of National Revenue would refuse you flatly if you asked for this information of any company or individual in Canada, yet we are going to entrust it to StatsCan which, as we all know, has the security of a leaky sieve. Businesses do not appreciate having anyone other than the Department of National Revenue ask for business details in this manner.

● (1730)

I am puzzled too about returns on transfers of technology which every holding corporation has to turn in. There is a definition of technology, but there are excuses by which corporations can be allowed out of that requirement. For instance, it says on page 9—perhaps I had better read it—the following:

Every holding corporation . . . shall . . . file with the Chief Statistician of Canada not later than March 31 . . . a return in prescribed form specifying such information as the governor in council may prescribe relating to transactions involving transfers of technology—

Two paragraphs later it says:

For the purposes of this section, information relating to transactions involving transfers of technology shall be deemed not to include any scientific or technical description of any product or process.

What on earth, then, is technology? It is baffling. In one place it says the transfer of technology, and in the next clause it excludes everything one always assumed was technology.

If you try to get out of sending in this return, there is a very uncharming, if I can use that word, or a very disagreeable clause, namely, Clause 6 on page 9, which says:

The Chief Statistician of Canada may, by notice in writing, request proof from any corporation that fails to file or fails to complete any part of a return required under this part that it is not subject to the application of this part in respect of the return or of the part of the return not completed.

In other words, you are absolutely guilty unless you can prove your innocence. I thought this assumption of guilt went out of vogue some one thousand years ago. I hope some way can be found by which the innocent-until-proved-guilty part of our common law can be retained, other than Clause 6 on page 9.

If you do not provide this notice, the notice is good only for ten days.

A corporation shall, within ten days after it receives a notice under subsection (1), furnish the Chief Statistician of Canada with the proof requested in the notice or file or complete, as the case may be, the return in respect of which the notice was given.

Ten days' notice to a business to produce the reasons it should not have to produce that file and proof of it is totally unrealistic. It is totally unrealistic to expect a firm of any size to do that within ten days.

I notice that labour unions do not have to comply if they have fewer than one hundred members resident in Canada. I suppose we can get this information at the committee stage, but I am curious as to how many unions in Canada have fewer than one hundred members resident in Canada and as to whether they might not prefer to break into branches of unions to ensure that they do not have to comply with some of the faulty law implicit in this bill.

At page 11 it says:

(a) a return in the prescribed form containing the prescribed information including the following particulars:

This is not later than 90 days. However, this deals with unions. Let us go back to where businesses are dealt within the descriptions of the reporting stage. For unions the period is between November 1 of one calendar year and January 31 of the following calendar year, yet in the case of businesses this return has to be in by the end of March. If their reporting period ends January 31 and the return has to be in by the end of March, that is only two months which is allowed instead of 90 days. It seems that some of these corporations being spoken of could be very large indeed, and they would have to do in two months what a small union would have to do in three months. I think there should be a little more equity in that respect.

I am pleased to have participated in this debate. There are so many things wrong with the drafting of this bill and there has been so much confusion created one could almost take this as a textbook example of the burden placed on businesses and unions to comply with regulations. There is no apparent need for many of the regulations. I am particularly concerned that Statistics Canada should be requiring so many returns—which

are usually confidential—from firms which try to conduct business and keep this country going.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate on Bill S-10 I suggest to many members in this House that if they feel that this bill is something of a routine nature or something the House might rubber stamp or pass without proper examination and debate, I feel they are overlooking some of the very serious implications inherent in the bill. It is a sleeper. In many ways this bill demonstrates the tremendous paper load the federal government places not only on businesses but also on labour unions in this country.

What I will try to point out in my remarks is that there is a serious question as to why we are passing this bill in its present form. I followed the minister's speech in the House, I read the *Hansard* report of his speech, and I was surprised to find that at no point did the minister attempt to justify the continuation of the Corporations and Labour Unions Returns Act. Instead, he tried to slide this bill through by saying it is going to be less onerous. Why should it be onerous at all to the Canadian businessman or to the Canadian labour union? I think a case can be made to show that this government should be taking steps we had intended to take when we were in power, namely, to trim government regulations regarding statistical information. The program we were putting into place was to relieve business of much of the paper work which governments and bureaucracies behind governments love to foster. There is a serious question as to why we should permit the government to bring in the bill in its present form.

I say that because I think we often overlook the true impact of what we are talking about here. Let us first ask ourselves whether this statistical data is relevant. If statistics are to mean much, they should be fresh, accurate and recent. And, of course, they must be relevant to what people are interested in.

On the first question—is the statistical information fresh—as we know, on December 15 last the minister tabled the last Corporation and Labour Unions Returns Act report. For what year? Was it for 1980 or 1979? No, it was for 1978, two years after the fact. In December of last year we were finally furnished with the report dealing with corporations as of two years earlier. At the same time two other reports were filed. One was on labour unions and was called "Catalogue 71-202 Annual". The other crafty little document was called "Catalogue 71-202S". It was a supplement dealing with labour unions which gave much more intimate details concerning the labour unions of this country.

I mention this because I suggest that any statistical compilation which is more than two years old before people who might be interested in the data have access to it cannot be represented as being fresh information which industry, labour unions and government anxiously await. I suggest instead that the type of material we have before us fits better into the general category of what is gathered in a census, which is what we went through on June 3; in other words, information catalogued from time to time but certainly not on a quarterly basis. There is probably no necessity to have it even on an annual basis.

• (1740)

When I take you through some of the detail, Mr. Speaker, on the cost to the Canadian consumer, the businessman, the worker, members of a labour union, I think there is a very serious question as to why we should continue the act at all. I say this because I note the minister, who has repeatedly interrupted some of our speakers, rose and said: "The bill was introduced in 1962 by the then Diefenbaker government." We do not deny that, but I would suggest that is reflective, if you like, of this rather stale, archaic type of government we have in power today. They suggest that because something was introduced by our government—and I would suggest to you that it was relevant in 1962—almost 20 years later it should be left on the statute books notwithstanding the tremendous differences there are on reporting by labour unions, corporations and individuals today a compared to 1962. That is the difference, and this sleepy old reactionary government is not up with the times. They do not seem to realize that in a modern day society it is government that is lagging, not business; it is government dragging business back because it just cannot keep up with them. Here you have an example where they suggest that something introduced about 19 years ago should be left on the statute books just because it was introduced 19 years ago.

Let me take you to my next point, Mr. Speaker, which is perhaps even more serious. It deals with the question of cost. What does it really cost the Canadian consumer? Let there be no mistake, people may say: "Well, what does it cost business, corporations or labour unions?" The ultimate person who pays when there is unnecessary cost is the consumer. Here is what the minister said in the House upon the conclusion of his introductory remarks on the bill. You will recall, Mr. Speaker, that I asked him this:

> Could the minister tell the House whether any evaluation was made during that study of what is the cost of complying under the act for business and for consumers throughout Canada? Is there some estimate as to what it is costing businessmen to comply with the act as it now exists, and can the minister give us any estimate as to what it will cost businessmen to comply with the new act if it is passed in its present form?

You will recall, Mr. Speaker, the minister replied:

> I do not have with me any information in terms of the total cost to any individual company of completing a form on an annual basis. However, I would suggest to the hon. gentleman that it would not appear to be a concern of any of the companies with whom we have had exchanges.

In all fairness, Mr. Speaker, how can a minister come into this House and say it has never been of concern to any of the companies with which he has had exchanges when the self-same government in, I believe, 1978, in a return given to a committee of this House pointed out there were 124 corporations with assets of over $5 million each that had not complied with the various forms under this act. That was in 1978, in relation to 1976 data. There were 12,000 corporations in total that had not supplied the information two years after the fact back in 1978. Yet we have a minister with the audacity to come in here and say the government has heard of no troubles as far as corporations are concerned.

I point this out because I think it is relevant that we review exactly what we are talking about here. Many of the speakers

have referred to questionnaires and the fact this data is prepared therefrom. What is the nature of these questionnaires? Let us take a look first at the eight questionnaires business is now asked to fill in which have some relevance to this bill we now have before us, namely Bill S-10. If you like, I will challenge the minister on this. I will bet that the minister has not read those eight questionnaires. In short, while he has been inferring that many of our members did not read the bill, I would suggest to him that he probably does not even know the questionnaires to which he referred in his statements before this House. If the minister has not done his homework, I think it is time that I at least read into the record the type of questionnaires to which they are subjecting Canadian business at the present time.

Let me point out, Mr. Speaker, that if you took those questionnaires and hooked them up end to end you would find you have 52 feet of questionnaires every time someone has to comply with the present act. On top of that, you would have 31 feet of instructions to go along with it. That means 83 feet of paperwork for people to go through every time this act is complied with. You will recall the minister said he thought there were about 90,000 poor souls out there, not counting the labour unions, that have to comply with this type of paperwork. So if you add up all those things, you will find he is inflicting on Canadian business—and add to it the labour unions, if you like—7,470,000 feet of paper. Think of how many miles that is if it were ever stretched out.

However, let me first of all touch on what these forms are supposed to be about. The first one, questionnaire No. 1, is called "Annual Return of Corporations under the Corporations and Labour Unions Returns Act". This is a kind of general form dealing with a lot of information that I would suggest is relevant today in many other places, relevant I suggest in the sense that it can be found. We have a new corporations act, the provinces have corporations acts in which, in virtually every jurisdiction, the type of information solicited here is probably available under the relevant corporations act, be it provincial or federal.

The next one is the annual return of corporations called "CLR 3". This one is a more particular form but a shortened version of the larger one I referred to. We then get into two marked "confidential". I am not sure why. One is called "The Annual Report", the other is called "The Quarterly Report". Both refer to selected information on companies in Canada wholly or largely foreign owned. Probably the reason they are marked "confidential"—we would never want to disclose anything about a foreign firm here—is that this is something for the minister's eyes only, or perhaps for FIRA.

Mr. Knowles: That is the best way for it to get out.

Mr. Stevens: In short, Mr. Speaker, here are a couple more forms the Canadian businessman has to cope with.

That then brings me to questionnaire No. 5, a four-page form which is a report of transactions between Canada and other countries for the calendar year 1980. They ask you to keep one copy for your file. It goes through a lot of detail as to what you have been doing in bonds, stocks, bank stocks, and activities in the United States and the United Kingdom.

• (1750)

Questionnaire No. 6 deals with the geographical distribution of ownership of capital. This deals with the balance of payments division of Statistics Canada. It is a green form. I do not know what the colours signify. I notice there are yellow, green, grey, white and pink forms. Presumably this form deals with what they call the geographical distribution at the end of the current period of the various items they ask corporations to set out in the form.

Then there is questionnaire No. 7 which concerns ownership in Canadian companies. It is another compilation of the type of information I would suggest is readily available in many areas at the present time. Incidentally, as we have probably noticed, much of the information in these forms to which I am referring is of no concern to the banking community, to insurance companies or to loan companies. They are all exempt because presumably they are on friendly terms with the government. But they are of great concern to small businessmen and to the labour union people.

Questionnaire No. 8 is the real dandy. If you, Mr. Speaker, were in business sometime and you heard that Statistics Canada wants questionnaire No. 8 filled in, duck, because you will not make much money that year after filling out the form. Look at its size! It has a white, a pink, a yellow, a grey and a green part; it is in technicolour.

I will not take the time of the House to go through each one of these forms, but I should like to refer to the various areas they touch upon. One deals with the construction industry; another one catches all general corporations; one touches upon durable goods manufacturing industries; one deals with the real estate, rental and development companies; one touches upon mining, petroleum and natural gas; then there is the gas pipeline transport form. In short, it takes a 34-page booklet to describe what they want companies to do in all the forms to which I have just referred. This is the minister in action, this is Statistics Canada.

I will throw out another challenge. I bet that the minister has never even once gone to Statistics Canada to go over these forms with its officials; he has never been in the building. Yet he has the nerve to rise in the House and say that he knows what is best for businessmen and labour unions. What absolute rubbish, or, if I may use the emperor's comment, what garbage!

This is an example of an institution, Statistics Canada, proposing various forms to compile data which are mainly stale-dated when the information is finally compiled and certainly are, in most instances, absolutely irrelevant to any current decisions we in business, in government or in the labour sector would want to make.

One justification used for the present approach in the bill is that somehow they will take all those forms and reduce them to one form, that is, the new form contemplated by Bill S-10. The minister has probably never had a peek at this, but I got a

peek at the type of form of which the officials of Statistics Canada are thinking, if Bill S-10 is passed. Here is the draft form they are thinking of putting business and labour union people through.

Mr. Blais: We do not know what colour the new form will be.

Mr. Stevens: I hear the minister indicating that he does not know what colour the form will be. This indicates how pertinent he can be. The main thing he is concerned about is whether the new form will be pink, blue or green.

Mr. Blais: You have been talking about colours since you began your comments.

Mr. Stevens: If the minister has any input in the forms which will be devised by Statistics Canada if the bill is passed, his most important comment will relate to the colour of the form. It is certain that Statistics Canada will not pay much attention to what he says about what should be in the form or whether there should even be a form.

Mr. Evans: Tell us what is in the form.

Mr. Stevens: I notice the Minister of Supply and Services (Mr. Blais) is shushing the Parliamentary Secretary to the Minister of Finance (Mr. Evans). I do not blame the minister for trying to put him down after all the faux pas he has made over the last few months. I will not embarrass the Minister of Supply and Services by following up on that.

Mr. Evans: It is because you do not know what is in the forms.

Mr. Stevens: The parliamentary secretary insists. I will tell him what is in the forms.

Mr. Knowles: Don't pay any attention to him; he is not in his own seat.

Mr. Stevens: Form No. 1 is to be addressed to the "Chief Statistician of Canada" for the fiscal period ended—then there is a blank. It includes the corporate name as per charter, the postal address of the head office and the nature of the business. If the address in 1(b) is outside Canada, it will include the address of the principal office in Canada. It requests the end of the previous fiscal year. It includes the date of incorporation, day, month and year; the act of incorporation, whether it be federal, provincial or outside Canada; the manner of incorporation, be it by letters patent, memorandum of association or special act. The corporation is to be listed as public, private or other. Then the corporation directors will be listed with their initials, surnames, the positions they hold, their postal addresses, citizenship, number of shares of each class owned and the classes. Then it includes the share capital of the reporting corporation. As far as this area is concerned, the corporation must comply with items (a), (b), (c), (d), (e), (f) and (g).

Then it deals with corporations, individuals and related groups on owning 10 per cent or more of the total shares issued of any class, items (a), (b), (c) and (d) which request the number of shares and various information. It goes on page after page. If Statistics Canada is not willing to give these forms to the minister, I will certainly send him copies.

I have referred only to the opening form. The next one is very weighty. It runs for approximately 20 pages. It deals with the geographical distribution of transactions corporations may have had in the United States, the United Kingdom and other countries. It asks for the retained earnings position; it even includes a fold-out which deals with any bonds, debentures, notes, mortgages, advances, bank loans, leasing liabilities and such.

In short, if we combine all these forms, we will find that the minimum length of these forms, according to our calculations, is 26 feet. We are really talking about passing forms tonight with which Canadian businesses will have to live that are 26 feet long. If we take the figures of the minister wherein he thinks that only 20,000 businesses will have to comply with these forms, it will generate 520,000 feet.

The Acting Speaker (Mr. Ethier): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Stevens: Mr. Speaker, I am pleased to see the Minister of Labour (Mr. Regan) has joined us tonight. Undoubtedly, he has come into the House in anticipation of joining in the debate. Since this debate touches so heavily on the unions of Canada, I could never anticipate that a minister of labour would sit in this House and stay mute for an entire debate which touches upon a form which is being so opposed by the labour unions in Canada. I look forward to the Minister of Labour making a contribution later on. I hope he will be patient for I will certainly try to be brief in my remaining remarks. I only touched on a few points earlier in my speech, as you will recall, and I have a few more points I wish to make.

Just before we adjourned at dinner time I pointed out that the three questions which will now be put to Canadian businessmen, and which amount to several pages as far as forms are concerned, will, if put end to end, actually stretch to a length of 26 feet. There are 26 feet of questions which we will, in effect, allow Statistics Canada—and I see officials from StatsCan sitting in the gallery wringing their hands, wanting to get this legislation in place so they can grind out more and more forms to Canadian businessmen—to put to businessmen.

On behalf of the labour unions and corporations of Canada, and businessmen generally, we must give some protection to those sectors of our economy as far as Statistics Canada is concerned. Anyone who wishes to review the activities of that

organization knows that it allows data processing and the compilation of data to run rampant if no controls are placed on it. So, I am asking that the minister reconsider this evening the actual pressing of this bill and that he reconsider whether he even wants to offer it to the House of Commons for passage in its present form. We in the official opposition believe that it may well be that the bill should be withdrawn and that studies should take place to determine whether in fact we need this legislation any longer. The type of information which is spelled out in the various drafts forms which Statistics Canada has prepared is something that, I suggest, could be obtained from other sources. At the present time in the country we have a tremendous amount of data which is already available to government. I suggest that if that date were utilized in a way that Statistics Canada desired, there would be absolutely no need to subject the businessmen and labour unions of this country to the type of documentation and form-filling which is anticipated in the bill before us tonight.

I sometimes think that the magnitude of the requirements which government places on business is overlooked. It is a formidable task which we impose on business. The total number of forms or acts, if you like, which business must comply with include the following items. There is federal sales tax collection, there is provincial sales tax collection, excise duties, customs clearance, UIC deductions, workmen's compensation, hospitalization, loan applications, building permits, equipment operating licences, property taxes, vehicle registration, transport operating licences, communication licences, income tax forms, income deductions at source, detailed house surveys, bounding, business licences, restaurants and liquor taxes, CMHC housing surveys, safety inspections, tax audits, FIRA requirements, elevator licences, boiler licences, subsidy applications, development permits, waste control, minimum wage guidelines, Statistics Canada surveys—including the type of thing we are now reviewing—manpower training programs, employee hiring procedures, government contracts procurement, grants and incentive programs, consumer protection standards, census of population, drivers' licences, welfare and health benefits, and CPI samples.

● (2010)

I could go on with many other things that we seem to feel we can demand of business; and yet we assume, presumably, that there is no consumer consequence or cost. The fact, as we know, is that there is a very big cost. I could mention that those various items I have read into the record were not original with me. They were items which were referred to by a minister, Tony Abbott, when he was in power as a member of this government. At that time, he was the minister for small business. He was pointing out the need to relieve small business of much of that type of requirement.

Tonight we have a golden opportunity literally to do something about this problem, which people have talked about for years and years. In short, let us consider the possibility of not amending, but simply rescinding, the Corporations and Labour Unions Returns Act.

Having said that, I would like to go on to point out that in the spring of 1977 an Industry, Trade and Commerce interview team went across Canada and met with business people to listen to their views on how well government operates generally, and how well industry, trade and commerce specifically operates to meet their needs. Of the 5,000 businessmen interviewed, 35 per cent identified paper burden as the major irritant they had to live with. There was no other item that the businessmen reported to that team which bothered them so much as the paper burden to which they were subjected by governments. I would suggest that that observation is consistent with the findings of the Economic Council, which recently brought in its report, indicating its concern for the impact of regulations and paper burden on small business. The council found that for small businessmen—and I use their words as a direct quote—"paperwork was the major regulatory irritant—entailing an average of one to ten hours of extra effort per week—with federal paperwork demands exceeding provincial or municipal requirements in all provinces except Quebec."

In assessing the costs exacted by government paperwork, small business can undoubtedly be singled out as particularly hard hit because small businesses do not have the resources to hire specialized personnel or outside consultants to handle the paperwork. Often, paperwork represents a direct demand on the time of the principal operator, which is time he requires to work, plan and innovate in order to stay in business and grow.

I would suggest, in that respect, that most agree today that one of the great deficiencies in our country is in the area of productivity. Our businessmen are just not producing as much as most economists would like to see them produce. Let me assure hon. members and Your Honour that the passage of this bill in its present form will put a greater load and impediment on those very businessmen to whom we are turning to get the real growth in this country going up instead of down, as far as the average worker is concerned.

The proposed amendments to the CALURA are positive in that they will exempt numerous small businesses from having to report. On that we wish to agree. I think it is good that some businesses are exempted from having to fill in the present form. However, as I indicated earlier, our question is: why do any businesses, even at a $10 million threshold level, as far as sales are concerned, or $5 million in total assets, have to live with this type of documentation and data compilation when one bears in mind that it is done at tremendous cost, not only to those businesses but, most important, to the consumers who buy from those businesses?

I would suggest to Your Honour that the government claims that 70,000 businesses will be exempted, though one wonders if this figure, first used in 1978, is still realistic given, first of all, the high interest rates resulting in many small businesses going bankrupt and discouraging others from starting up and, second, the high levels of inflation, artificially increasing sales and assets.

In short, if the minister wants to continue with this type of legislation, our feeling is that the ceiling of $10 million in sales

and $5 million in assets is too low. It was a ceiling which was first suggested in 1978. With inflation it becomes less and less as far as effective exemptions are concerned. In short, if we must have this type of legislation, let us increase the ceiling, certainly beyond the levels suggested by the minister.

For those companies which still have to report, the paperwork has been reduced, it is stated, by approximately 50 per cent. However, when one considers the over-all burden of government paperwork imposed on business, when examining CALURA one should ask the following questions: What is the purpose of the act? Has hope for benefits been measured against cost to business and government? Clearly, unless the minister misled this House, and I would hate to say that he deliberately misled the House—

Mr. Baker (Nepean-Carleton): Not him.

Mr. Stevens: However, unless the minister misled the House, he does not have the faintest idea as to what the cost of this amendment will mean to business in the country. Therefore, how can he say that some type of evaluation has been made as to whether the cost is warranted to business and to government? Is the same information being collected elsewhere? I have already indicated that I believe it is. If Statistics Canada were allowed to be a little more innovative in its approaches, it could pick up much of the data which companies and labour unions will be required to file if this amendment goes through.

Is the language used in the questionnaires clear and comprehensible? I would suggest that that is something which is open to interpretation; but I invite hon. members, especially those who I know want to speak on this bill and have not yet spoken, to read the actual forms which they, as businessmen, may have to fill out in the future if this bill goes through, and draw our own conclusions. I have no indication from Statistics Canada that they are backing down on any of the suggested forms which they want businessmen to comply with.

In short, I feel it will be a tremendous burden for labour unions and corporations to have to live with. Even if we agree with the objectives of CALURA, we must be concerned about the government's use of the information collected. In recent years, governments, and certainly those under the emperor, the present Prime Minister (Mr. Trudeau), have tried to exert more and more control, through legislation, regulation and industrial development programs, on the business sector of this country. The information provided by businesses through CALURA will undoubtedly be used by this government to continue with this interventionist approach to our economy.

I could go on spelling out the total impact of what I feel business will be subjected to if these forms become the law of the land; but may I simply conclude by inviting all hon. members finally to read the 1978 reports which are based, two years late, on information filed in 1976, and to ask themselves: "How much of the information in those reports, comprising three volumes, are really relevant to solving the problems which we live with in this economy today? I believe that if most hon. members reviewed those reports, they would see that they contain stale, dated information that will have virtually no impact on the means of solving the problems of inflation, the trade deficit and unemployment.

• (2020)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a few comments to make on Bill S-10, an act to amend the Corporations and Labour Unions Returns Act which is to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

I should like to align myself with the comments made by the hon. member for York-Peel (Mr. Stevens) and share with the House my impression that a good many sectors of our society are opposed to this legislation. We see that it requires small unions and small businesses to be accountable in many areas, so it is obvious that they would be opposed to the legislation. To date, I have not seen the government demonstrate the need for this legislation. To my mind it is another case of government snooping or wishing to have records on practically every facet of our lives.

In its recent report, the Economic Council of Canada documented the need for deregulation rather than more regulation and reporting on that regulation. As the hon. member for York-Peel pointed out, an additional paper burden will be imposed on the small business sector. This government, as did this party when it was in power and during various election campaigns, committed itself to reducing the paper burden of the small business sector. But this legislation is another example of Liberal campaign promises being broken once it has assumed the role of government. Rather than reducing the paper burden of the productive sector of our society, the government is increasing it.

Not too long ago the Minister of State for Small Businesses (Mr. Lapointe) did away with the offices that dealt with the paper burden that had been established across Canada, so it is obvious that this government is not concerned with reducing the paper burden that had been imposed on the small business sector.

This legislation will mean that the small business sector will have to fill out even more government forms and this, in turn, will decrease business productivity. As an hon. member who spoke earlier indicated, the government has not provided any figures to show what it will cost business to do this.

In the time that I have been a member of this House, it has been obvious that the government is concerned with the redistribution of wealth rather than with the generation of wealth. This bill is another example that the government is not con-

cerned with the generation of wealth but is more than happy to place further restrictions on the business sector.

A good many members would like an opportunity to comment on this legislation and we hope they will have that opportunity when the bill is referred to committee so that there will be more feedback. I believe the legislation is worth a lengthy debate.

So much of the legislation that comes from the government attempts to structure our society so that it is aware of every move an individual makes. This is becoming a highly interventionist society because of the government's actions. It is attempting to dictate to the populace their rights and moods. We found that to be true in the wording of the constitutional proposal which indicated the government would grant certain powers to the people, rather than the reverse, that we as legislators would derive our power from the people who elect us. It is my belief that all the power and rights that we have are generated by the population.

Mr. Speaker, Jefferson said that men are naturally divided by temperament into two classes: those who fear and distrust ordinary people and want to concentrate power in the hands of a small, select elite, and those who trust and cherish ordinary people and think of them as the safest, if not always the wisest, repositories of power.

I think this illustrates the difference in the attitudes of the two major parties in this country. We have a party governing the nation that believes in the strong centralist approach; that believes that the elite few should govern and the people should do as it sees fit, rather than having input from the public at large. I am sure I speak for the majority of members on this side of the House when I indicate our belief that the Canadian people are the wisest repository of power and that we support getting more input from them.

During the constitutional debate, hon. members opposite criticized us for prolonging it. They brought in closure and choked off debate on the resolution. The excuse was that the House should be dealing with economic measures as the country was facing a severe economic situation. Mr. Speaker, the country is facing a severe economic situation and we must bring forward some measures to deal with high interest rates, but I would ask hon. members opposite where those economic measures are. The government indicated to us that when debate was completed on the constitutional resolution, it would bring economic measures forward. It has no economic measures, Mr. Speaker, to deal with the serious difficulties facing the Canadian population.

I would like to analyse the economic record of the government.

Mr. Roy: Mr. Speaker, I have a point of order.

Mr. Deputy Speaker: The hon. member for Laval (Mr. Roy) rises on a point or order.

Mr. Roy: Mr. Speaker, I would remind the hon. member that today we tabled a report on economics and the National Trading Corporation. The Tory party was against that. It is a vehicle to help small and medium-sized businesses in the export market.

Mr. Deputy Speaker: The hon. member has a point of argument, not a point of order. The hon. member for Pembina has the floor.

Mr. Elzinga: Mr. Speaker, I appreciate the information given by the hon. member. This is one of the few times I have heard him speak in the House so I appreciate his intervention. It is obvious that what I have to say hurts hon. members opposite. When we look at the economic record of the government we can see that it is not very impressive. It has set a number of records that it should not be proud of. I wish to share—

Mr. Collenette: Speak to the legislation.

Mr. Elzinga: This does relate to the legislation.

Mr. Collenette: No, it does not.

Mr. Deputy Speaker: The hon. member for Pembina has the floor.

Mr. Elzinga: I wish to illustrate to hon. members opposite the importance of dealing with economic measures when we are facing the serious problems of today. The government has set records in spending. The same thing holds true of its budgetary deficit and unemployment. We have record high taxation rates as a result of the Liberal administration. The inflation rate has also reached a record level and everyone knows that interest rates are higher than we have ever experienced. The one thing that has not reached a record high is our dollar. It is at the lowest level we have seen it in Canada. I ask my friends opposite what they are doing to help. I say this bill should be withdrawn and legislation should be brought forward to help those individuals who are being hurt by the high interest rates, namely the small businessman, the farmer and the individual whose mortgage has to be renewed. Instead of putting increased paper burden on the small business sector, legislation should be brought in to relieve the high interest rates which people are facing.

• (2030)

I realize what I say hurts hon. members opposite because there is scarcely a problem which does not have their fingerprints all over it. I compare what this government is doing with what we attempted to do in the short time we were in government. We brought forward programs to alleviate some of the difficulties which the Canadian population was facing, and yet interest rates then were not as high as they are today.

Mr. Deputy Speaker: The Chair has been listening to the hon. member, and finds, with all due respect to him, he appears to be deviating from the subject matter of the bill before us.

Mr. Elzinga: Mr. Speaker, I appreciate your admonition and henceforth my remarks will pertain directly to the legisla-

tion before us, namely Bill S-10. We have a piece of legislation before us that wishes to centralize power, that wishes to give the Government of Canada more authority over the lives of the individual because the government is requiring labour unions and corporations to fill out lengthy documents. This request is being made without giving any specific reason why the government wishes these forms completed.

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words on this bill. I was shocked to see one form which will have to be filled out by businesses and labour unions as a result of passage of this bill. I hear an hon. member making a comment, but I say to him that he has looked at it, he should be shocked too. If the hon. member wants to speak on this bill, he should get on his feet and speak. That one form covers ten pages. If you take all the forms and put them end to end, they measure 26 feet. It is quite amazing. Some of the required items involving just a small businessman include purchases during the year of materials and components for manufacture and goods for resale. Many of the items will require changes to be made in the accounting systems of some companies. If this form is given to an auditor to complete, it will cost a considerable amount of money. For some time I have felt that this is really overkill. On one side of the argument we had a minister who was charged with the job of reducing the amount of paperwork which small businesses have to complete. We heard a great deal about that a couple of years ago when an hon. member was given the job. I believe the portfolio was that of minister of state for small businesses. When the hon. member left the portfolio, I asked him how many people he had in his department. Like many people in Canada I thought that the minister of state for small businesses who was in charge of reducing paperwork for small businesses would have a staff to help him. But I found out that the total establishment for that ministry consisted of the minister, two secretaries, an executive assistant and a public relations officer. Here was the minister in charge of reducing paperwork but he did not have the staff to do the job!

I recall seeing some letters that were sent out, publicity releases and copies of speeches that the minister made across the country wherein he said he would reduce the paperwork. Now we have this nonsense.

I have to relate to the House, as I have done before, an experience I had in my own business before I became involved in politics and was elected to the House of Commons. I started a small business. I had a large amount of paper coming into my office from various government agencies. I had to make a decision whether I was going to fill out the forms, as I am sure businessmen will have to do with these forms, or I was going to get on and do business to make some money to pay the bills, my staff, and so on. I took this massive pile of paper and divided it into two groups: one dealt with taxation, because we have to pay taxes, and the other was just a general information which was flowing in from Statistics Canada and other government agencies. The tax forms went to our auditor. In due course they were filed and returned to Ottawa. But the pile from the information seekers kept growing. They kept sending more and more forms. The pile got to be quite a height until it truly reached a crisis stage in the business. I had to decide whether I was going to spend the time filling out the forms or whether I was going to make some money or do something else in the business. I decided I would dispose of this paper. I went to the rubber stamp supply house in town. I bought a large rubber stamp with the words "not applicable" on it. I bought a red stamp pad. I returned to my office and stamped all these forms "not applicable". Then I sent these forms in their envelopes back to Ottawa.

In due course I received a computerized letter which said, "we are in receipt of form number so and so, which we understand is not applicable." The letter ended with one of those squiggly signatures which look somewhat like Arabic; you cannot decipher it nor do you know who the person is. It is just a mark on a paper made by a marking instrument. I then set up a series of files with the form numbers on the tab. I placed the letter I received in answer in each one. In due course, another form came. I xeroxed the computerized letter I received from one of the government agencies which said they understood it was not applicable. I stamped the document again "not applicable", stapled it and returned it to Ottawa.

In the course of a very few months I reduced the amount of paper flow by 40 per cent. I do not think the government feels any worse about this nor do I think the affairs of the nation ground to a halt, or anything of that nature. What this did was to prove how silly and nonsensical some of these forms are. When I read through some of what my colleague calls "gobbledygook" after looking at the census form, it makes me wonder whether we are supposed to spend our time filling out forms or doing some business. I can see to some extent the government's desire to get a handle on things as far as technology is concerned. It is concerned about the transfer of technology. The government should be trying to enhance the transfer of technology into this country. That is something we need.

• (2040)

In my own business in the last little while I have gone outside the country and licensed manufacturing within Canada so I would not have to import that particular product into this country. I wanted to get as high a Canadian content as possible, employ more Canadians and not contribute to the balance of payments problem. I wanted to get out of the foreign exchange hassle and so forth. I did that.

FIRA has restricted foreign investment in this country, contrary to what FIRA and government ministers will tell you. Ask the Minister of State what happens when he goes outside the country and talks about investment in Canada. He feels he must tell investors not to be afraid of FIRA.

If Canadian businesses are to be expected to sign licensing agreements or pursue patents and cross licensing with those in other countries for products or designs, we should not be discouraging them by requiring them to fill out these forms. There is a general suspicion with regard to filling out forms

when it comes to information such as the transfer of technology.

Just looking through this form, I wonder whether I will be interested in putting down the details, the information regarding my licensing agreement, the terms, how long it is for, what the product is, what category it falls into, whether the information is to be kept secret or confidential or will be available to a lot of other people.

I hope that somewhere along the line we can have another look at this matter. I would like to see it discussed at great length. I know it has been kicking around for a number of years. The Senate had a look at it. However, before we rush into this, we should have the opportunity of having the Minister of State for Small Businesses and Tourism (Mr. Lapointe) before us. Let him look at it along with those from Statistics Canada.

When it comes to forms, it should be the other way around. The minister and StatsCan should be required to convince an all-party committee of this House that the particular form is necessary. They should be required to come before a committee, show why it is absolutely vital that they have the form and give the reasons why. Perhaps if we had that approach, there would be a greater acceptance of the filling out of forms.

By the same token, some members of the committee will have had experience in the business sector and will have filled out such forms. People from the tax foundation, the chartered accountants' association, the Canadian Chamber of Commerce, people from the John Bulloch group, the Canadian Federation of Independent Businessmen, and all others involved in filling out these forms should have some input. These people should be convinced through committee hearings that such and such information is absolutely vital for the government to function in the way it wants. If that were the case, there would probably be some measure of co-operation.

A tremendous amount could be gained from such a hearing. I am sure that each of these groups, organizations and individuals I have mentioned could contribute something to the construction of the form. I am sure that the same information is being collected time and time again. For example, I have run into many people who object to putting their income on the census form. They say that is their business and that of the Department of National Revenue, never the twain shall meet and there is no way they are going to put down that information. The same will be true of these forms. Businessmen have probably made quite legal arrangements with others regarding the cross licensing of technology.

I had occasion this morning to discuss with one of my colleagues a licensing arrangement with a company in Alberta. The transportation of that product to this market is too costly. It was decided to have a licensing agreement for a certain portion of the country. That company would be very reluctant to let that information become generally known across the country.

I hope others will speak to this bill and add something to the debate. I certainly do not feel it should go forward at this time. It should be withdrawn and put before an all-party committee or a task force such as the one on government regulations a while back which did a reasonably good job. That sort of approach could be taken with Bill S-10. Withdraw it and put it before an all-party committee, redraft it and bring it back here. If that approach were taken, I am sure it would receive reasonable passage through the House. The way it is now, I certainly cannot support it.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is a privilege to say a few words on Bill S-10 to amend the Corporations and Labour Unions Returns Act. As my background is in small business, I would like to relate some of the problems that exist in small business and the ramifications of those problems, particularly as they relate to information that StatCan wishes to obtain from small private entrepreneurs and unions. My colleague mentioned what occurs every five years when Statistics Canada conducts a census. I wish to speak briefly about the census because it will lead to what I want to mention about Bill S-10.

As a result of the census in my constituency, I received a number of telephone calls from small communities of 200 people where those appointed by Statistics Canada to do the census were actually neighbours.

Mr. Blais: On a point of order, Mr. Speaker. The bill has been before the House for two days. Surely we know what the essence of the bill is. The hon. member's comments relating to the census are out of order, being irrelevant to the principle of the bill.

• (2050)

Mr. Shields: Mr. Speaker, I do not for a moment wonder why the minister would rise on a point of order to try to stop me from saying what needs to be said, because he is responsible for the shemozzle respecting some aspects of the census. I would like to point out that in small communities of 200 people the minister responsible for Statistics Canada appointed people to do the census.

Mr. Deputy Speaker: Order, please. With all due respect to the hon. member, the census is not the item before us for discussion. I invite him to return to the subject.

Mr. Shields: Thank you, Mr. Speaker. I want to speak about Bill S-10, but what I was trying to do was to relate the whole matter. I will go on to Bill S-10 and talk about that first.

Mr. Collenette: Read the title again.

Mr. Shields: As a small businessman in a community, before I came to this honourable place I received in the mail quite regularly long forms such as the one I have in my hand. I had to fill them out properly and return them to Statistics Canada. I had to do this systematically. Some of the data Statistics Canada asked for were complicated to compile. I felt that some of the information requested was private and personal and should not be given to Statistics Canada because

that same information was available from the Department of National Revenue. Depending on its size, a small business will have to hire one, two or even three people to do the paperwork this government will force on it because of this bill.

The small businessman will not absorb the expense involved. The expense will not be taken from his profit. He will pass the expense on to the consumer. A businessman must earn a reasonable return on his investment. If he does not, he will go broke. He must retain a reasonable return on his investment; therefore he must raise prices for goods and services to the consumer. When we are talking about inflation, contributing to inflation and what causes inflation it is my contention that the government constantly contributes to inflation, and this bill is just another example of that.

This government is putting small businessmen to some expense because of the census. In exactly the same way this type of activity creates a bureaucracy here in Ottawa. All this paperwork has to be done in order to compile statistics. I say that all we are doing is to create jobs in Ottawa. People will have to sit down and tabulate this information. It has come to my attention—I am not sure where I read it—that some 12,000 small and large corporations in Canada were delinquent in filing these types of returns. I am sure the Minister of Supply and Services (Mr. Blais) will rise on a point of order and correct me if that is not so, but approximately 12,000 are continuously in default.

I would like to relate a little episode. My son went into business. He formed a company. My son probably had a little more courage than I because he absolutely refused to fill out any forms. His was a small two-man operation. They did not have time to sit down and fill out forms, so my son pitched them into "file 13", the wastebasket. He did that continuously. He received a very ignorant and abrupt telephone call from the civil service demanding that a certain form be filled out or he would be taken to court. He said, "Gee, I am sorry, I must have overlooked it". Forms were sent to him by registered mail. He continued to throw them away. I was horrified when he did this because I thought he would be in a lot of trouble. He has never been bothered since.

I would like to hypothesize that those who absolutely ignore forms—the 12,000 strong—are those who are never bothered. Those who diligently fill out forms receive more and more forms, until they are caught in a web of forms for Ottawa. If the small business community—12,000 strong—is not filling out forms, the statistics that Statistics Canada is trying to put together must be false. They cannot be anywhere near correct. Either the government wins the support of the business community from which it is trying to gather information, it wins the support of the unions across the country from which it is trying to gather information, it shows them how it is absolutely necessary to the functioning of the government that they fill out the forms, it makes the forms simple enough so that the information can be gathered and put together very quickly, or the matter is dispensed with. The amendment before us today should be putting and end to the idiotic system we have.

I want to refer for a moment to the bill itself to show hon. members the power we are giving our civil servants. I refer hon. members to Clause 4.1 which reads:

> Every holding corporation to which this Part applies shall, for each reporting period of the holding corporation, file with the Chief Statistician of Canada not later than March 31 following the end of that reporting period a return comprising
>
> (*a*) a set of financial statements in respect of itself and any of its subsidiaries carrying on business in Canada during that reporting period, in consolidated form as prescribed, consisting of the same statements in respect of itself and its subsidiaries as would be required in respect of itself if it were filing a return under subsection (2); and
>
> (*b*) a list of the corporations covered—

And it goes on. Then we come to 4.1(2)(*a*) which reads as follows:

> (*a*) a balance sheet showing the assets and liabilities of the corporation, made up as of the last day of the reporting period—

We all know that the year end of a company does not always fall on March 31. A fiscal year of a small company can be from January or February. It can be from any date a company chooses. Companies whose fiscal years end March 31 never have this information available until three months down the line. It is impossible because the cut-off date is March 31. What do we have? We have a two-pronged situation. A company has to employ a group of people to sit down, do the books and pull everything out so that these questionnaires from Statistics Canada can be answered. Then three months later the company has to repeat the whole process with the help of accounting people so that matters can be brought up to date and corporate income tax returns filed.

I say again that all we are doing is imposing more cost on the consumer because the costs of goods and services from these companies will increase. Someone has to pay for that. Corporations do not pay for it, unions do not pay for it, consumers pay for it. Once again the government is contributing very directly to inflation.

• (2100)

Let us go through one of these short forms and think for a moment. Perhaps some hon. members opposite are from ivory towers, as is their leader. Perhaps they have never been in business, but perhaps hon. members opposite should tell their leader exactly what he is doing. Clause 4.1(2)(*a*) says:

> A balance sheet showing assets and liabilities of the corporation, made up as of the last day of the reporting period,
>
> (*b*) A statement of investment of the corporation as of the last day of the reporting period,

Remember, the reporting period is March 31. It goes on:

> (*c*) A statement of income for the reporting period,
>
> (*d*) A statement of retained earnings, made up as of the last day of the reporting period,—

I personally have a small company the year end of which happens to be in June—

An hon. Member: Shame.

Mr. Shields: —so some time in February or March I am going to have to try to get something like this going.

An hon. Member: Shame.

Mr. Shields: Yes, that is right, it is a shame. The Liberal backbenchers over there, the mouthy ones calling "shame" and grinning, you can tell they have never been in business. They do not care about that individual down there purchasing goods and services. They have shown that in this House time after time for the past month. So go ahead and call out "shame"; you are damn right, it is a shame, a terrible thing.

I would like to refer you, Mr. Speaker, to another part of Bill S-10—

An hon. Member: Stop reading and give us your punch line.

Mr. Shields: —clause 5, "return to be certified". It says:

Each return and each statement comprised in a return required by this part to be filed with the Chief Statistician of Canada shall be certified by the president or vice-president of the corporation filing the return and by one other officer—

If that certification is not correct, it empowers the civil service to walk in and demand proof. Shades of a police state.

The total bill, Mr. Speaker, should be amended. It should be brought under review and passed on by an all party committee so that people can have input into what is happening.

I received a letter from the owner of a small concrete placing firm, Western Shotcrete of Fort McMurray. He sent me a copy of a letter he wrote to StatsCan who are demanding he fill out these forms. He said he was absolutely not going to fill them out. To fill out the forms required of him over a period of one year would require the hiring of at least three additional people. He stated emphatically that he is not prepared to do that unless the government is prepared to pay their wages.

You hear it time and time again, Mr. Speaker. This is the constant complaint of small business, of being inundated with form after form in the paper war, because they know they must pass that on to the consumer and they are in a competitive market out there. The government must recognize that it and Statistics Canada have lost support for the information gathering they are attempting, whether it be the census, small business, or unions. They have lost support right across the country. We are here to pass laws at the request of the voters, not to pass laws to impose on them. Too often we forget this.

I am sorry, Mr. Speaker, that the Liberals across the way would not pause to listen for a few moments to a legitimate concern expressed to me time and again in my riding. I am sure if they sat down and read their own mail they would find they are getting the same kind of response to this continual interference in the marketplace by government. Information is gathered, statistics drawn up and shelved. Very few people need it. If the government needs information to launch programs, to assist small business or in any way assist the consumer, then of course they have to gather the information. However, it should be mandatory that the public, those affected by it, are convinced it is necessary. If the government cannot do that, then it is not necessary because, remember, we are here to represent the voter, not to dictate to him.

Mr. Bill Domm (Peterborough): Mr. Speaker, there have been approximately five occasions on which I felt it necessary to rise in this House to speak on bills which have created unnecessary paperwork in the business community. What is most disturbing is the fact that in all these debates that I can think of the minister of State for Small Businesses and Tourism (Mr. Lapointe) has not been present to give at least some measure of support to the opposition parties as they put forth their thoughts in this regard.

I recognize, Mr. Speaker, that there have been four recent attempts to amend CALURA. It was passed first in 1962 to allow collection of financial and other information on certain corporations and labour unions operating in Canada. It was amended once in 1965. What has happened in recent years is that the government has made several attempts to amend the act, first, with Bill C-7 in the third session of the Thirtieth Parliament; second, with Bill C-3, in the fourth session of the Thirtieth Parliament; third, with Bill C-12, in the first session of the Thirty-first Parliament; and finally, with Bill S-10 in the first session of the Thirty-second Parliament.

In presenting Bill C-7 to the House, the minister of State for small businesses gave three main reasons why the amendment of CALURA was necessary. He said that since 1962:

—the economy has become much more complex and policymakers, as a consequence, have had to request additional date to keep abreast of developments.

His second reason was:

At present, over 90,000 corporations file ownership schedules under the act. The majority of these respondents are small, Canadian, privately owned businesses, originally not intended to be under the purview of the act. Bill C-7 is expected to relieve some 70,000 of these businesses from reporting under the act.

So said the minister in referring to Bill C-7. The third reason was:

As part of a streamlining process, Bill C-7 integrates six Statistics Canada questionnaires and two questionnaires collected by Industry, Trade and Commerce into one single questionnaire.

One significant new amendment has to do with trans-border technology transfers, and I will refer to that in just a moment. Let us take a look at returns filed by corporations under part one of CALURA as of June 15, 1978. We must bear in mind that there are many parts and many forms, some of them as long as seven pages, to be filled out, but let us just take a look at part one. It is somewhat shocking to learn, going back to 1974, that 77,869 businesses were filing. In 1975 it went up to 94,562. For the date year 1976, in which more than 85,000 filed, collection this year is still in progress.

● (2110)

The number of corporation returns outstanding is shocking. Let us take a look for a minute at how the business community reacts to CALURA and at some of the businesses which ignore the forms. Let us discuss statistics to see how we stand. We will deal with 1974 and 1975, because the government is still collecting the outstanding forms for 1976.

In 1974 a total of 1,610 businesses never filed, refused to file. What has the government done to those businesses in relation to the 77,000 businesses which took the time to fill out

this multitude of paperwork? To my knowledge, the government has done nothing. For data year 1975, there are 1,517 businesses that have not filed as yet. For the data year 1976, collection is still in progress. It is estimated that returns from approximately 12,000 corporations are yet to be received. Of those, 124 corporations with assets of over $5 million have yet to file.

I should like to deal with the burden imposed by CALURA on businesses. The present situation is that there are eight questionnaires. There are 52 feet of questions and 31 feet of instructions, if the paper is measured lengthwise. On an annual basis, there are 83 feet of paperwork for a corporation. For the 90,000 businesses operating in Canada, times the 83 feet, there are 7,470,000 feet of paperwork. This is the same government that told Canadians if it was elected it would reduce the paper load on behalf of small business.

On an annual basis, government personnel handle 52 feet times 90,000 or 4,680,000 feet of paperwork to process CALURA questionnaires returned by businesses in Canada. This does not include the paperwork generated by CALURA questionnaires which are sent to unions. We would have to add that amount to the list as well.

I should like to give a few figures relating to the costs associated with personnel in the administration of CALURA. What is it costing the taxpayers of Canada to administer CALURA in Ottawa in this massive government bureaucracy? Under an amended CALURA, there are three questionnaires which I have. There are 26 feet of questions and a small number of instructions. With only 20,000 businesses reporting, the paperwork generated would be 520,000 feet. This is still a considerable sum when one takes into account all the paperwork businesses have imposed upon them by governments today. What does it cost Ottawa to administer CALURA?

I should like to indicate three basic examples in man-years. In Ottawa, 43.5 man-years were spent in the 1977-78 fiscal year to administer the corporation area of CALURA. What did that cost? In the one fiscal year of 1977-78, the cost to administer the corporation branch was $843,000. To administer the labour unions area, there were eight man-years at a cost of $128,000. To administer CALURA alone, it took 2.5 man-years at a cost of $87,000. What business would not consider it a plum to be handed $87,000 in return for 2.5 man-years? In 1977-78 it took a total of 54 man-years to administer CALURA at a cost of $1,058,000.

Who is featherbedding? Who is gaining advantage from CALURA today? It is certainly not the business community. I do not see the Minister of State for Small Businesses and Tourism standing in the House and asking the government to show some compassion and consideration for the small business community.

This is only one more bill in a great number of pieces of legislation which have brought extreme costs to bear upon the Canadian business community. These costs are passed on to consumers, thus inflation is inflamed and our ever-growing cost of living is increased.

CALURA represents only a small portion of the over-all paperwork imposed upon businesses by governments at all levels in Canada today—municipal, provincial and federal. We are specifically discussing federal in this Parliament. We are asking the government to live up to its commitment to the small business community and to show some tangible evidence of its concern and interest in reducing the paper burden upon the small business community.

Paper burden is defined as information requirements established by government which can be judged to be unduly burdensome and very costly. They include application forms, reports, surveys, record-keeping requirements, and unnecessarily complex regulations and procedures. At the federal level numerous acts and their attendant provisions, procedures, standards, etc., all impose paperwork over and above the call of duty upon the small business community.

There are 16 departments and agencies—the Department of Agriculture, CMHC, CCA, CRTC, CTC, DREE, the Department of Energy, Mines and Resources, the Department of Industry, Trade and Commerce, Environment Canada, the Department of Health and Welfare, the Department of Labour, Revenue Canada, Statistics Canada, The Department of Supply and Services, to name but a few. When will we receive some tangible evidence that the government is sincere in its intent to reduce paperwork?

In addition to federal department and agencies, provincial, regional and municipal programs generate massive amounts of paperwork upon the business community today. That is the reason there are 6,000 or 7,000 bankruptcies annually in the small business sector. This figure is growing on a monthly basis. This is one of the major reasons for small business bankruptcies. A one or two-person operation requires almost an equal number of staff to administer its operations today to keep up with the burden of paperwork. The magnitude of these requirements is formidable, as the following list of required government paperwork illustrates.

I have a list of 45 government agencies that all require reports to be filled out by the business community. We must give credit where credit is due—there are some exceptions, but by and large very little compassion is shown for the business community. Meeting these paperwork requirements imposes a significant cost upon the public as well as the private sector, but these costs have not been accurately tabulated in Canada. One United States estimates puts the annual dollar cost for federal government paperwork at $500 for each United States citizen. First there are the economic costs which vary from business to business, from person to person. They include the time cost to design, develop and instal information systems in businesses; direct and indirect costs of data collection; the costs of processing and analysis, filling out forms, hiring consultants, lawyers and accountants. What small incorporated business can operate today without the services of one or two chartered accountants? I suggest, Mr. Speaker, very few. It was not many years ago that a small businessman, an entrepreneur who wanted to open up a business, could do his paperwork in the evenings in an hour or two. I defy him to do

that today. Even operating a business as basic as a service station requires countless reams of paper to be filled out for government agencies, both provincial and federal. This government has very little compassion for the small business community.

● (2120)

These costs are more difficult to measure, but they exist and are expressed in terms of anger and frustration, disillusionment and helplessness. Helplessness because they feel they have been betrayed by governments which made the solemn promise that they would reduce paperwork, show that they care and that there would be some action. And what do we do in this House of Commons week after week? We come in here and debate legislation which will put greater pressure on the strength of our country, the free enterprise system. Very seldom do we see a ray of light in this House of Commons to the point where we would conscientiously reduce the load we are bringing to bear on the business sector of our society which offers us a degree of hope in the future.

In the spring of 1977 the Department of Industry, Trade and Commerce interview teams went across Canada and met with business people to hear their views on how well government operates generally and, specifically, how well IT&C operates to meet the needs of the business community. Of the 5,000 businessmen interviewed, 35 per cent identified paper burden as the major irritant. Who sits in this House today who did not campaign in 1979 and again in 1980 with the solemn promise to decrease that paper burden borne by the business community? I will agree that there are only some 47 people here on the other side of the House who know what it is like to be in business today. I doubt if there are even that many. But I know 47 businessmen who sit in this House of Commons. They said they would reduce paperwok. What we spend most of our time doing in this House is adding to the paperwork of the small business sector. This is consistent with the findings of the Economic Council of Canada in its concern for the impact of regulations and paper burden on small business.

Let us take a look at what the Economic Council of Canada said. The Council found that for small businessmen:

—paperwork was the major regulatory irritant—entailing an average of one to ten hours of extra effort per week—with federal paperwork demands exceeding provincial or municipal requirements in all provinces except Quebec.

Some credit may be given to the Quebec provincial government but no credit is due to the 75 members who sit in this House from the province of Quebec. The Economic Council says that this Liberal government has been remiss in its promise to the people to reduce the paper load.

In assessing costs exacted by government paperwork, small business can undoubtedly be singled out as particularly hard hit, because small businesses do not have the resources to hire specialized personnel or outside consultants to handle the paperwork. Paperwork often represents a direct demand on the time of the principal operator, the time he requires to work, to plan and to be productive. Why do we on this Hill have less than 60 per cent productivity? It is because the government does not know how to manage its own shop. Until we manage our own shop better and until we start doing the kinds of things we said we would do when the people elected us, we will not change the situation. It is no wonder that to a large degree the people of Canada have lost faith in governments today. I do not know of one of the five promises made by the Prime Minister (Mr. Trudeau) in January, 1980, that has been kept. That is why the business community has lost faith in Parliament, because it did not do what it said it would do when it campaigned in the 1980 election—

An hon. Member: Parliament did not campaign.

Mr. Domm: That is right, Parliament did not campaign, the Liberals campaigned. The Liberals who form the government today have not done what they promised in the election campaign of 1980.

Miss Bégin: The GIS increased.

Mr. Domm: Yes, the GIS increased.

Miss Bégin: Right on.

An hon. Member: Speak to the bill.

Mr. Domm: An hon. member opposite asks me to speak to the bill. He should ask his front benchers to speak to the bill.

Miss Bégin: Then shut up!

Some hon. Members: Oh, oh!

Mr. Domm: I can understand the uneasiness, the shifting around in their seats of members opposite. They have every reason to be shifty, sly and slippery. They are masters at it. We cannot let them fool the people of Canada into thinking that this bill is what they promised, any more than the excise bill is what they promised when they added that tax in an area which they had no intention of touching when they campaigned.

I would like to take a moment to put CALURA into perspective.

Miss Bégin: Again?

Mr. Domm: Maybe the minister responsible for the health of this nation would sooner I talked about UFFI and the health hazards which it causes. I do not know what she is talking about over there.

Mr. Kempling: She doesn't either.

Mr. Domm: The proposed amendments to CALURA are positive—this is what the Council says—in that they will exempt numerous small businesses from having to report. That is a lot of hogwash. There are 1,817 businesses which have not reported since 1976 anyway. In other words, in 1976 there were 75,000 businesses which should not have taken the time to fill out these 38 pages or 90,000 feet of paperwork.

This government is making fools out of the business community in Canada today. The government claims that 70,000 businesses will be exempted. In 1974 only 77,000 reported, and now this government is going to exempt 70,000? Who are the remainder? Are we going through this two days of debate to make 7,000 business people fill out all this paperwork and hire a bureaucracy, which will cost us a million dollars this year, to administer this act in Ottawa? The figures do not add up, Mr. Speaker. The small business community is receiving another snow job.

For those companies which still have to report the paperwork has been reduced by approximately 50 per cent. This is what the government says. What does that mean? According to the statistics, of the 7,000 which still have to report, only 3,500 will actually report. Or does it mean that the 7,000 will do half as much? If that is so, then I ask the government by how much it will reduce the bureaucracy to administer this program. Is the government going to reduce the staff which administers CALURA by 50 per cent? Not a chance. There is no sunset clause in this government. The expenses will go on as usual. Even if we agree with the objectives of CALURA and even if we agree that in order for the government to operate today it requires more statistics, we must be concerned about the government's use of the information collected.

• (2130)

This bill, before it is passed, should go before a group of people, namely, one headed by the Minister of State for Small Businesses and Tourism. The minister, whose job it is to look after the business community, should appoint an all-party committee to scrutinize CALURA to report to the business community. Through whatever organizations it would like to report to, whether it is the Canadian Organization of Small Business or the Federation of Independent Business, it should report to them and justify the bill before it is passed. The bill should not be brought into this House and then shoved through under the guise that the government's taking the interest of the small businessman and the reduction of his paper load into consideration.

In recent years the Liberal governments have tried to exert more and more control through legislation, regulation and industrial development programs. We have seen it in the budget, we have seen it in the energy policy and we have seen it in the Constitution. The information provided by these businesses through CALURA will undoubtedly be used by this government to continue in this vein of gathering information for ulterior motives. It is sad to see this bill going through the House, with speaker after speaker from the Conservative party here speaking on behalf of a small business community and very little action from anywhere else. I think that any time we introduce paperwork into this House we are betraying the people who we campaigned to support if we were elected. We are showing a complete disregard for our election commitments to reduce paperwork by the setting up of offices to scrutinize and justify the paperwork before it is imposed upon the business community.

One of my colleagues has already pointed out to this House that those offices which were set up to scrutinize paperwork and to show that it was necessary before the legislation was implemented, are no longer in place. Why has this government presented this piece of legislation without first showing the business community that it was necessary and that there were offshoots from which would benefit the people who are most adversely affected by this paperwork? There is every reason in the world why we as a government and as a Parliament should oppose this bill, Bill S-10, as it appears now for second reading debate as amendments to CALURA.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I have been listening to the debate. I am glad to see that the Minister of Labour (Mr. Regan) is in the House this evening. I want to speak to him briefly through Your Honour. I do not know whether he is aware of the impact of this bill upon those parts of the economy which fall under his partial jurisdiction in the House of Commons, in terms of reporting at least at the federal level. I am talking about labour unions. I think he has been here during two periods of the debate in the House. I was rather hoping he would inject himself into the debate with respect to this matter. I still remain with the hope that there will be time for him to do that. My understanding of the matter goes back some distance to the days when I was practising law and acting for national associations. I had concern then, and I still have that concern, with respect to the kind of information which is being requested.

Thus far the debate has focused on the impact of this legislation, particularly as it relates to difficulties of people who happen to be incorporated and engaged in small business, people who run the businesses by themselves and for whom accountancy help and legal help is a major overhead factor.

Viewing a bill such as this, which now requires the filling of some eight rather complicated forms, one could wonder if the government is doing anything other than lessening appreciably not only the number of forms, but also the kinds of businesses to which those forms apply. What has really happened is that instead of a member of a business being able to choose the kind of form which applies to the particular business in question, now everyone who happens to be in a small business must fill out all these forms, whether or not they are relevant to the kind of business being carried out. The government may have lessened the weight of the paper; but rather than lessening the onerous duty upon the small businesses to fill out forms, the filing has been made much more broad so that they apply to a larger number of businesses. Therefore, every business must fill out one of these forms whether or not that particular matter applies to them.

If the government will think about it for a moment, it will find that it has compounded the problems of the small businessmen with respect to filing. This is the first point I would like to make.

Second, I wonder if there has, in fact, been any consultation with the small business sector. Each one of us in this House

receives correspondence each month from the members of the Canadian Federation of Independent Business who are largely small business people trying to make their way in a world which is tough enough as it is without also having to deal with paper. Was a consultative group ever established by the government to talk to such a group of representative businessmen—and there may be others in the community—to see whether this is really necessary or whether there is another way that this information, which is admittedly important to government, could be made available so that government would have it at its fingertips? I daresay that if the Minister of Supply and Services (Mr. Blais) were to check the records, he would find that there has been very little consultation at all with the small business sector. There is no reason at all to worry too much about the multinational corporations, but one must be concerned about that. If there were some further consultation, having regard to the debate which has taken place in this House, it might lessen the burden on business. I hope that the minister will undertake to continue that discussion before this bill gets through.

The other matter I want to refer to now is the question of the information which is required in the forms themselves. By the way, Your Honour knows this is information which is filed with the government in confidence so that the government can plan. If that is the case—and I have no reason to doubt that—then it seems to me that it is the kind of information which is perhaps already within the knowledge of the government. Corporate information which is filed relating to directors' shareholdings and things of that nature is the kind of information which could be incorporated into and form part of government information. In fact, a great deal of it could be gleaned from the returns which are now filed annually with the Department of Consumer and Corporate Affairs from corporations and incorporated businesses, and that would cut down some of the duplication.

Another aspect which the government should perhaps consider, and may consider on second thought, is the availability of information within the Department of National Revenue. I happen to know that the Department of National Revenue is scrupulous in preserving the confidentiality of information filed with it by taxpayers. However, I daresay that if one would put the alternative of filing a form like this to any businessman, or allowing another department to consult with the Department of National Revenue on the basis of confidence, and if a waiver were signed to that effect, and if that businessman could be assured that he would not have to fill out one other form or deal with another pile of papers at the same time as he is trying to sell, I am sure that that businessman would opt for the simpler method of granting the waiver on the understanding, of course, that it would be confidential. I think this would go a long way toward reducing the amount of paper that the small business community has to deal with and about which it is always cursing governments.

• (2140)

Governments have made great strides, Mr. Speaker. When I was minister of national revenue I gave credit to officials of the department for streamlining import procedures on the customs side of the operation, so that people did not have to file for each transaction but could file over a longer period of time and thus facilitate matters.

Within government itself there is a desire to cut down on the number of filings that are necessary, although many people do not believe this to be the case. If it would take advantage of the expertise that is available in the public service, it could do a great deal in this direction, but sometimes I think it does not realize this. The business life of the small businessman could be relieved of further complications if, for instance, he did not have to file an international trade form when he is not engaged in international trade. The system, which was complicated enough before, has become more complicated, and I think it could be changed.

The government ought to be given an opportunity to reconsider this bill, Mr. Speaker. It is not urgent. I suggest it withdraw the bill and consult with the business community to see whether, by marrying the expertise that there is in the private sector with that in the public sector, something more relevant, not just for government, but for small business, could be devised.

I am not going to carry the debate any further, Mr. Speaker, except to say that I think the government ought to consider withdrawing the bill and dealing with the question in another way. We would be happy to assist it in that undertaking.

I hope this view is shared by members on the other side, although sometimes I have my doubts—that the small businessman ought to be burdened as little as possible. He is overloaded with paperwork as things stand now. I am sure there is not one member of the House who does not have a constituent who complains about the amount of filing that has to be done to government. I think we ought to be attempting to lessen this instead of increasing it.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I have some concerns about the bill as well.

Mr. Blais: You have 60 seconds.

Mr. Mayer: I see the Minister of Supply and Services (Mr. Blais) is in the House and he wonders if I can get all my concerns on record within 60 seconds. If a proper bill had been produced, I probably could have done so.

I note that on June 17, in rising on a point of order questioning some of the things said by the hon. member for Capilano (Mr. Huntington), the minister said as follows:

—that this bill is to amend the Corporations and Labour Unions Returns Act, and that act is to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

It is fine to ask for additional information but I am not so sure that the government has justified the reason for asking for the additional information.

I represent a constituency that is largely made up of farmers and small businessmen. For them paperwork is a major problem; it is more than an irritant.

Earlier today a colleague quoted from the report of the Economic Council of Canada to the effect that excess paperwork caused problems and that the regulation itself was a major regulatory irritant. I think it is more than an irritant; it is a genuine impediment to small business in this country being as productive as it might be. I myself farm and I represent people engaged in farming. One of the things that bothers us is the amount of paperwork that is involved. I could give some recent examples of the things that government requires. It seems to me that if the government is interested in regulatory reform it should set a good example.

I have been concerned about some of the things requested by the Canadian Livestock Feed Board which regularly requires information that is available from other sources.

Mr. Deputy Speaker: Order, please.

* * *

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Friday, June 19, consideration of the motion of Mr. MacEachen that Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be read the third time and passed, and the amendment thereto—Mr. Lambert.

Mr. Deputy Speaker: Order, please, it being 9.45 p.m., pursuant to agreement made Friday, June 19, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading and passage of Bill C-57.

Call in the members.

The House divided on the amendment (Mr. Lambert) which was negatived on the following division:

● (2150)

(Division No. 78)

YEAS

Messrs.

Althouse	Domm	Lambert
Andre	Ellis	Lawrence
Baker (Nepean-Carleton)	Elzinga	Lewis
Benjamin	Fennell	Lewycky
Blackburn	Fretz	MacKay
Blaikie	Friesen	Manly
Blenkarn	Fulton	Mayer
Cardiff	Gamble	Mazankowski
Carney (Miss)	Greenaway	McCain
Clark (Yellowhead)	Gurbin	McDermid
Clarke (Vancouver Quadra)	Halliday	McGrath
Crosbie (St. John's West)	Hees	McKenzie
Darling	Hnatyshyn	McKinnon
Deans	Howie	McKnight
de Jong	Jarvis	Miller
Dinsdale	Keeper	Mitchell (Mrs.)
	Kempling	Munro (Esquimalt-Saanich)
	Knowles	Murta
	Korchinski	
	Kristiansen	
Nickerson	Robinson (Burnaby)	Speyer
Nielsen	Roche	Stevens
Nowlan	Sargeant	Stewart
Nystrom	Schellenberger	Taylor
Orlikow	Scott (Hamilton-Wentworth)	Thacker
Paproski	Scott (Victoria-Haliburton)	Thomson
Parker	Shields	Towers
Rae	Siddon	Wenman
Reid (St. Catharines)	Skelly	Wise
Riis		Wright
		Young
		Yurko—85.

NAYS

Messrs.

Allmand	Dubois	LeBlanc
Appolloni (Mrs.)	Dupont	Lefebvre
Axworthy	Dupras	Loiselle
Bachand	Erola (Mrs.)	Lonsdale
Baker (Gander-Twillingate)	Ethier	MacBain
Beauchamp-Niquet (Mrs.)	Evans	MacEachen
Bégin (Miss)	Ferguson	MacGuigan
Berger	Fisher	Mackasey
Blais	Fleming	MacLaren
Blaker	Flis	MacLellan
Bloomfield	Foster	Malépart
Bockstael	Fox	Maltais
Bossy	Francis	Marceau
Breau	Frith	Massé
Burghardt	Garant	Masters
Bussières	Gauthier	McCauley
Caccia	Gendron	McRae
Campbell (Miss) (South West Nova)	Gimaïel	Nicholson (Miss)
Campbell (LaSalle)	Gingras	Olivier
Chénier	Gourd (Argenteuil-Papineau)	Ostiguy
Collenette	Gourde (Lévis)	Ouellet
Comtois	Gray	Parent
Corbin	Guilbault	Pelletier
Corriveau	Harquail	Pepin
Cosgrove	Henderson	Peterson
Côté (Mrs.)	Herbert	Pinard
Cousineau	Hervieux-Payette (Mrs.)	Portelance
Cullen	Hopkins	Prud'homme
Cyr	Hudecki	Regan
Daudlin	Irwin	Reid (Kenora-Rainy River)
Dawson	Isabelle	Roberts
De Bané	Johnston	Robinson (Etobicoke-Lakeshore)
de Corneille	Joyal	Rossi
Demers	Kaplan	Roy
Deniger	Kelly	Savard
Desmarais	Killens (Mrs.)	Schroder
Dingwall	Lachance	Simmons
Dion	Lajoie	Smith
Dionne (Chicoutimi)	Lalonde	Tobin
Dionne (Northumberland-Miramichi)	Lamontagne	Tousignant
	Landers	Trudeau
	Lang	Turner
	Laniel	Veillette
	Lapierre	Watson
	Lapointe (Charlevoix)	Weatherhead
	Lapointe (Beauce)	Whelan
		Yanakis—133.

● (2215)

Madam Speaker: I declare the amendment lost.

Amendment (Mr. Lambert) negatived.

Madam Speaker: The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Shall I dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

(*Division No. 79*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Loiselle
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Pepin
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—132.

NAYS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Benjamin
Blackburn
Blaikie
Blenkarn
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Crosbie (St. John's West)
Darling
Deans
de Jong
Dinsdale
Domm
Ellis
Elzinga
Fennell
Fretz
Friesen
Fulton
Gamble
Greenaway
Gurbin
Halliday
Hees
Hnatyshyn
Howie
Jarvis
Keeper
Kempling
Knowles
Korchinski
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacKay
Manly
Mayer
Mazankowski
McCain
McDermid
McGrath
McKenzie
McKinnon
McKnight
Miller
Mitchell (Mrs.)
Munro (Esquimalt-Saanich)
Murta
Nickerson
Nielsen
Nystrom
Orlikow
Paproski
Parker
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Wenman
Wise
Wright
Young
Yurko—84.

● (2220)

Mr. Paproski: I rise on a point of order, Madam Speaker. The hon. member for Willowdale (Mr. Peterson) was in the chamber, voted and left before the count was completed.

Madam Speaker: If he left the chamber, then his vote will not be recorded.

Some hon. Members: Out, out!

Madam Speaker: Order, please. Where is the hon. member for Annapolis Valley-Hants (Mr. Nowlan)?

Some hon. Members: Out, out!

Madam Speaker: Then one cancels out the other.

Some hon. Members: Hear, hear!

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

[*Translation*]

Madam Speaker: It being ten o'clock, the House stands adjourned until tomorrow at 2 p.m., pursuant to the provisions of Standing Order 2(1).

At 10.27 p.m. the House adjourned without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 23, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

POLITICAL PARTIES

FUNDING FOR NATIONALIST PARTY IN ALBERTA—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, in view of reports that the Liberals are funding the newly-formed Nationalist Party, headed by a former Liberal member of Parliament from Alberta, for the purpose of splitting the Progressive Conservative vote in western Canada, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House deplores this type of underhanded politics and instructs the Liberals to come clean and not fund the Nationalist Party now or at any time in the future.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ST. LAWRENCE SEAWAY

PLANNING FOR ENLARGEMENT OF WELLAND CANAL—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given that the St. Lawrence Seaway system is a direct employer of up to 15,000 Canadians, that industries which depend upon the Seaway employ hundreds of thousands, and that an international task force on the Great Lakes-St. Lawrence Seaway system warned that the Welland Canal will be at capacity by 1985, I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That this House urge the Minister of Transport to begin immediately the necessary planning and design for a major enlargement of the Welland Canal and thereby avoid throwing thousands out of work.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSING

UREA FORMALDEHYDE—CALL FOR IMPLEMENTATION OF FULL TESTING PROGRAM—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise under the provisions of Standing Order 43. On April 23 the Progressive Conservative party called on the federal government to provide testing in all homes insulated with urea formaldehyde foam insulation. On May 29 we again called on the government to carry out a full national testing program. The Ontario government has now moved to provide testing for all Ontario home owners who have homes insulated with UFFI. Therefore I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the federal government live up to its responsibility in the UFFI fiasco and immediately implement a testing program for all homes insulated with urea formaldehyde foam insulation under CHIP.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

COMMENDATION OF POLICIES OF MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given the fact that so often the opposition dwells on negative economic indicators such as high interest rates and inflation and not on the positive facts that real growth of the GNP is now at 4 per cent annually, and that unemployment is the lowest in four years, I move, seconded by the hon. member for Sudbury (Mr. Frith):

That this House commend the Minister of Finance for introducing economic policies which have helped the ordinary Canadian reap the benefits of high economic growth and low unemployment.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

CORPORATE AFFAIRS

FORMATION OF CO-OPERATIVE ENERGY CORPORATION—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the co-operative movement first approached the government to become involved in oil and gas exploration and development around about the time of the possible privatization of Petro-Canada, and whereas money has been allocated to form a co-operative energy corporation, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That this House supports the initiative of the co-ops and urges the government to bring in as soon as possible the necessary legislation to get this corporation off the ground.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

THE ECONOMY

CALL FOR INTRODUCTION OF EMERGENCY BUDGET—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas bankruptcies and other business failures have increased by at least 30 per cent over the last year, and whereas the government has displayed a total lack of compassion and consideration for the small business sector, the agricultural community, and the Canadian home owner, in its economic and energy policies, and whereas record high interest rates place an incredible burden on all Canadians and are the result of government policy and not bank policy, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House direct the Minister of Finance to quit looking for scapegoats to shoulder the responsibility for his economic mismanagement and direct him to introduce an emergency budget immediately to restore economic sanity to Canada and to alleviate the threat of bankruptcy which plagues so many hardworking Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

INDUSTRY

POLICY TO PROMOTE MINERAL RESOURCE UPGRADING—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that Canada is annually exporting billions of dollars worth of raw and semi-processed mineral resources, and in view of the fact that this is being done in the absence of a meaningful national incentive policy promoting resource upgrading in Canada, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the national government, in consultation with the provinces, establish immediately a federal-provincial task force to evolve a comprehensive incentives policy for promoting mineral and natural resource upgrading in Canada as an integral part of a national economic strategy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

MEASURE TO FACILITATE EXPORT OF NEWFOUNDLAND HYDRO POWER—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the bold announcement made yesterday by the Minister of Energy, Mines and Resources I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That this House commends the government for introducing a measure which will permit the export of Newfoundland hydro power to Canadian and U.S. markets.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HAZARDOUS SUBSTANCES

REQUEST FOR INQUIRY INTO POISONOUS WASTES AT BLAINVILLE, P.Q.—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity. In view of the fact that the federal govern-

ment has decided to transfer to the Quebec government the Camp Bouchard site in Blainville, to be used as a toxic waste dump, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the federal government, together with its Quebec counterpart, carry out the necessary studies to make sure that the Quebec local populations are not exposed to contamination hazards.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

OPPOSITION TO LOOSENING OF UNITED STATES AIR POLLUTION STANDARDS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of extreme urgency. News from the United States has revealed that the environmental protection agency of that nation proposes in a draft document a repeal of air pollution standards which restrict acid rain, and suggests that decisions regarding pollution control be left to individual states. In light of the fact that such a move would have disastrous consequences here in Canada and, if approved, would have to be considered a deliberate rejection of last year's bilateral memorandum of agreement concerning trans-boundary air pollution, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government immediately contact the United States administration to protest strongly the proposed loosening of air pollution standards and declare its intention to take legal action, if necessary, to prevent such changes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PROPOSAL THAT MUNICIPALITIES OF BERTHIER-MASKINONGÉ-LANAUDIÈRE BE MADE PART OF DESIGNATED AREA—MOTION UNDER S.O. 43

Mr. Antonio Yanakis (Berthier-Maskinongé-Lanaudière): Madam Speaker, under Standing Order 43, I request the unanimous consent of the House to move an important and urgent motion. In the last three months, five requests for DREE grants have been turned down in the riding of Berthier-Maskinongé-Lanaudière, which I represent, under the ridiculous pretext that there are too many manufacturers in the fields concerned, when the releases on the grants authorized, which I receive from the department, prove that similar requests have been accepted in other parts of Quebec for the simple reason that they come from designated areas, regardless of overproduction on a provincial basis. I therefore move, seconded by the hon. member for Terrebonne (Mr. Comtois):

That the Department of Regional Economic Expansion review the regulations suggested by technocrats in 1977, and consider the municipalities of Berthier and Lanaudière as part of the designated area, which the third part of the riding, namely Maskinongé, already is.

If that injustice were corrected, Madam Speaker, it would allow that part of the riding to develop on natural lines instead of being at the mercy of the area—

Madam Speaker: Order. Presentation of a motion of that type requires the unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

CORPORATE AFFAIRS

RAID ON NEWSPAPER OFFICES IN 1978—REPORTED LEAK IN ADVANCE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Would the minister inform the House whether, prior to the raid on the Thomson group of newspapers, 21 newspapers, on July 24, 1978, there was a serious leak from the department that indicated to the Thomson group that the raid was to take place, enabling their officials to remove various documents from their offices across Canada? If he did have such knowledge, would he advise the House when he first became aware of it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am not aware of the allegation of the hon. member. However, I must tell him that this question is now before the courts and that I am not in a position to comment any further on the subject.

[*English*]

RCMP INVESTIGATION OF DEPARTMENT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I refer to the investigation which took place under the Combines Investi-

gation Act of 1978. I am surprised that the minister does not have knowledge of that particular investigation, seeing how the Combines Branch or the Department of Consumer and Corporate Affairs is currently investigating the missing documents which were not in the Thomson offices at the time of the investigation of the raid on July 24, 1978, and the fact that the RCMP is currently conducting its own investigation, at the initiation of the attorney general, into the minister's department, concerning the alleged leak. I would like the minister to comment on that, please.

Mr. Crosbie: Nothing to do with the courts.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I repeat what I said in answer to the first question of the hon. member. This case is now before the courts and I am not in a position to comment on it, whether or not it pleases hon. members opposite. I suggest that we must respect the discretion of the courts.

[*English*]

REMOVAL FROM OFFICE OF DIRECTOR OF COMBINES INVESTIGATION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, first we have the scandal of the oil rip-offs; second, we have the disgrace of the uranium cartel. Now we have strong evidence which indicates that there was a serious leak from within the minister's department, and possibly a subsequent cover-up, days after which Mr. Bertrand, the chief investigations officer of combines, was removed from his job by the government.

Surely the minister will inform the House of the real circumstances surrounding the removal of Mr. Bertrand from his job, and make a statement in the House now, which I am inviting him to do, revealing the exact truth of the entire matter.

Some hon. Members: Hear, hear!

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, what is absolutely clear is that the opposition is using question period to make all kinds of false allegations before putting their questions.

Some hon. Members: Answer the question.

Mr. Ouellet: I think it is absolutely a disgrace to see members of Parliament abusing the rules of the House the way they are doing.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for York-Peel.

Mr. Stevens: Thank you, Madam Speaker. In truth, it is most amazing that a minister, in answering a question, first of all says that he has no knowledge but then says that the matter is before the courts. How he can reconcile those two statements, I cannot understand.

• (1420)

QUERY RESPECTING POLICE INVESTIGATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I should like to put my question to the Acting Attorney General in the absence of the Attorney General. Would the minister indicate if, in fact, the Attorney General's office has asked for an inquiry to be made with respect to the leak of information at the time the Thomson newspaper chain was under investigation through the combines branch of the Department of Consumer and Corporate Affairs? Would he also indicate if, in fact, the Royal Canadian Mounted Police have an active inquiry under way at the present time?

Hon. Bob Kaplan (Solicitor General): Obviously, Madam Speaker, on both those questions I will take notice of them, and draw the former to the attention of my colleague for a reply. As to the ongoing investigations of the RCMP, I do not, and deliberately do not, keep myself informed about investigations of a criminal nature that they are carrying on, but I will inquire.

TIMING OF REPORTED INVESTIGATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, perhaps I could go to the Minister of Consumer and Corporate Affairs. Would the minister indicate to the House if there is any relevance to the fact that the investigation we are now referring to and in which, to the best of our knowledge, no charges have yet been laid, was ordered immediately prior to Mr. Bertrand's removal as director of the combines investigations section and, if there is some relevance to that, would he indicate to the House the nature of it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I want to remind the hon. member that Mr. Bertrand was not asked to hand in his resignation. I think that question has already been discussed long enough in the House for the hon. member to be aware of that. When he asks a question to make such an allegation, he unconsciously or deliberately misleads the House. As to the inquiries made by the director of investigations, the law and the practice are quite formal in that respect. We are not expected to confirm or deny that an investigation is under way, and when it does become public knowledge, it is always extremely difficult to begin speculating. Madam Speaker, hon. members opposite would show a minimum of responsibility if they were to respect the confidentiality of such investigations. If we were to report to the House on all investigations which may be going on, it is obvious that the people responsible for making them will be particularly handicapped in the proper discharge of their duties.

[*English*]

POST OFFICE

INSTITUTION OF PAID MATERNITY LEAVE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board. The minister knows that as of Monday we could be faced with a postal strike which is desired neither by the inside postal workers nor by the people of Canada. One of the major issues in the dispute concerns paid maternity leave. Considering that the minister responsible for the status of women, at an international conference almost a year ago committed the Government of Canada to institute paid maternity leave, and considering that the chairman of the conciliation board in the postal dispute has recommended a fair formula, why does the government not live up to its commitment to women, on the one hand, and postal workers on the other, by accepting his recommendation?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I thank the hon. Leader of the New Democratic Party for the question, which is a very important one. The government has demonstrated in the past, particularly last year during negotiations with the clerks, that it was committed to the principle of maternity benefits. In fact during the course of those negotiations, as hon. members will recall, the benefit that existed was extended, namely, the 60 per cent of insurable earnings was extended to cover the two-week waiting period. It is a very important area and one that we believe has to be addressed. Whether or not it should be addressed during the course of these negotiations is another matter.

● (1425)

MEDIATOR'S RECOMMENDATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, if I understood the minister up to his last Liberal line, he was saying that he thought the idea was fine in principle but was not to be implemented yet. Considering specifically that on this issue the chairman stated as follows:

—discrimination deriving from maternity is surely one of the most obvious ones but, at the same time, one of the easiest to abolish.

—and since that is a key issue in the dispute which could head off a postal dispute and strike, why does the minister not lay it on the line now and say that the government will accept the recommendations?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I hope the parties will be back at the negotiating table forthwith. That is my attitude. I do not intend to negotiate these issues in public. I have indicated the government remains committed to the issue of maternity benefits. I think we have demonstrated that in the past. We have already, I believe, implemented a very generous package across the public service. This is a matter not only of concern, I suggest, to workers in a particular union, but surely it is a social issue of major importance and one, frankly, in which members of this party have already stated they believe, and are prepared to move forward with it in certain areas, as we have already done with respect to the unemployment insurance program and with respect to our own employees.

Mr. Knowles: By the year 2000?

Mr. Johnston: I think we have demonstrated not only our concern but the thrust of our thinking and the thrust of our policies.

APPLICATION OF PRINCIPLE TO ALL DEPARTMENT'S

Mr. Edward Broadbent (Oshawa): Madam Speaker, the unemployment insurance benefit program for maternity leave is not, and I emphasize is not, what is meant by the international declaration that the government signed last year in Europe. It is an entirely different concept, and the minister knows that, Since the minister has just said that he agrees in principle with the program and that the government should be implementing it, presumably if it has any principles, why does the government not make the program available to all its employees in all departments now? In particular, why does the minister not give us a clear-cut commitment today for the inside postal workers so that they would know where the government stands and, therefore, head off the potential strike next week?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am interested in the hon. member's comments with respect to our obligations under the UN convention, and suggesting that what we have already put in place does not meet those requirements on the spirit of the convention. I would be interested in knowing what his interpretation of the terms of the convention actually are.

Mr. Broadbent: I would be delighted to tell you.

* * *

INDIAN AFFAIRS

FISHING RIGHTS OF MICMAC INDIANS ON RESTIGOUCHE RESERVE IN QUEBEC

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Until and if the constitutional negotiations define an aboriginal right, does the minister feel that the Restigouche Micmac Indian band is in fact practising a traditional fishing right? Given the minister's statement to reporters as follows:

The central government can flex its muscles if peaceful negotiation with Quebec fails and there is accumulating evidence we may have reasonable ground—

Could he state why he has not been able to convince the minister of fisheries that he should move in this direction?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, there is such a long

list of misinterpretations in the hon. member's question that I will try to give him the type of answer that he really wants.

First, do I think that the Micmacs are exercising a traditional right as they perceive it in terms of fishing in the Restigouche? Yes, I do. Second, they have always been successful in the past in negotiating an agreement. Perhaps I should qualify that by saying they have been relatively successful in the past in terms of negotiating the number of days they fish. There has never been this serious a problem before.

I think I should state quite clearly to the hon. member, despite what he may have read, that there is no difference between my colleague, the Minister of Fisheries and Oceans, and myself.

Mr. Crosbie: Yes there is.

Mr. Munro (Hamilton East): He has indicated to me, and confirmed it just a couple of minutes ago, that indeed there are reasons that warrant a review of the delegation of this authority under the fisheries act of the province of Quebec.

Perhaps on a more positive note I should indicate that I had advice, in the last few moments, that Mr. Lessard, the relevant minister in Quebec, is in the region now and that he is willing to meet with the chief and the band council to see if they can work out a solution to this matter. Our Quebec region is involved. It has urged the Quebec minister and the chief to meet. It is our hope that the meeting will take place some time this afternoon. Maybe as a result of that meeting we can find a resolution to this whole question. That is our hope, and I am sure it is the hon. member's also.

● (1430)

ASSURANCE SOUGHT RESPECTING TRADITIONAL RIGHT

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, is the minister stating that negotiations have gone on in the past regarding this traditional fishing right? Will he give an assurance that he will get involved in these negotiations, because this difficulty may occur in other regions of Canada as well? We need to know that the minister will give assurances to the Indian bands that they in fact have a traditional right and need not negotiate through a third party when he has responsibility for this.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the hon. member should be aware that negotiations go on every year depending on the stock as the parties perceive it. Therefore this is not an unusual occurrence. As far as the involvement of myself and my officials is concerned, I have already indicated that talks with Mr. Lessard took place this morning with regard to the Quebec region. The minister is now desirous of sitting down and talking with the chief. Our regional officials will be involved to the maximum extent possible in so far as they can be helpful. I might indicate that from my own office Michel Bouliane is already on his way there at the request of the band. He will be present on the reserve for the remainder of the week.

[*Translation*]

REQUEST THAT NEGOTIATIONS BE RESUMED ON ABORIGINAL FISHING RIGHTS IN QUEBEC

Mr. André Maltais (Manicouagan): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. Since the government of Canada has always wanted to negotiate in good faith with the native people, would the minister agree to negotiate federally the salmon fishing rights in the various rivers of Quebec? I know for instance that in the Escoumins and Moisie River areas this problem could arise. In order to avoid violence and the government overstepping its authority, would the minister agree to meet with representatives of the Quebec Indians in order to achieve some kind of consensus which would bring about a peaceful settlement and especially respect for the traditions and rights of those Indians, in view of course of the present situation, which forces more and more Indians to go salmon fishing for economic reasons? In view of the fact that fishing is an important economic activity for Indians. would the Minister of Indian Affairs and Northern Development be prepared to negotiate a federal settlement, which would involve not only the Quebec Minister of Tourism, Fish and Game, but also the Quebec Minister of Fisheries, and the federal Minister of Fisheries and Oceans?

[*English*]

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): The short answer to that is yes, Madam Speaker. My colleague and I have agreed that there is some merit in the review of this delegation. Obviously that implies that there are problems elsewhere. If I may be presumptuous enough, perhaps wider spread discussions to iron out these problems from the point of view not only of my own department but of the Department of Fisheries, would be helpful.

ACTION TAKEN BY GOVERNMENT OF QUEBEC

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to direct a question to the Minister of Fisheries and Oceans. Given the fact that the government of Quebec operates under authority delegated to it by the Fisheries Act and the Minister of Fisheries by virtue of the 1923 agreement, and given the reply to my colleague from the Minister of Indian Affairs and Northern Development, has the minister satisfied himself that the Quebec government has acted prudently in terms of the conservation measures it is now enforcing in Quebec? If not, what steps does the minister propose to take to exercise the authority which is his and which, in this particular case, he has delegated to another government?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, although I have been here a number of years I did not delegate the authority. It has been done by order in council since 1922. We have not tried consistently to second guess the authorities in the province of Quebec. I said so publicly, and I want to say it again. Generally the province of

Quebec has administered those fisheries with a considerable degree of wisdom and conservation. There are some areas, outside the salmon issue, where we found that Quebec tended to stretch the extent of its jurisdiction. In fact in some cases I had to indicate I did not find acceptable certain attitudes vis-à-vis licensing or implications for fishermen from other provinces.

The question of the salmon is an extremely difficult issue because it is a fairly short season. When there are incidents such as there are now, it is very often difficult to pacify the situation before the salmon run has either escaped those who are entitled to catch it or it has been hurt by over-fishing.

The province of Quebec has taken an attitude on the salmon fishing which has been slightly more harsh than the attitude I have taken. For example, it did not reopen the fishery to commercial fishermen. That was its right to decide under the present legislation. I did not wholly agree with that position. However, I cannot on one hand agree to the delegation of authority and, on the other hand, do the day-to-day management over somebody else's shoulder.

My colleague and I are re-examining the implications of the 1922 agreement as it is presently applied. We will review this. If we come to the conclusion that it should be changed or altered, then we will do so according to the tradition, that is, by order in council.

* * *

HOUSING

UREA FORMALDEHYDE—REQUEST FOR EXPANSION OF TESTING PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Ontario government has announced plans to begin a testing program of all homes in the province in which urea formaldehyde foam insulation was installed. Ontario health minister Timbrell, and thousands of other Canadians, feel the federal government's plan to test only 2,000 homes across the country is insufficient. In light of the fact that the Ontario government considers examination of all homes using the product to be vital, will the minister reconsider the limited number of home testings under the federal program and expand the test to include all Canadian homes which used the product under the CHIP program?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I welcome this initiative by the Ontario government. We have already written to them indicating our willingness to co-operate and to support them in their endeavours. This measure is complementary to the initiative of the federal government. We do not intend at this time to change our program. We are very happy that Ontario, and possibly other provinces, are doing this.

COMPENSATION TO HOME OWNERS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my supplementary is also to the same minister. Will the minister confirm to this House that should the federal government provide compensation to the many owners who, because of serious medical problems associated with the foam, will have to remove and replace that insulation, such compensation would be made retroactive to cover those people who cannot wait for a later decision, and because of health reasons, are going ahead on their own and having the insulation removed, in some cases at very exorbitant costs?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I cannot confirm this because no decision has been made in that regard. As I indicated in the House some time ago, the federal government took a first step with a series of initiatives. It would be premature to jump to conclusions. Therefore I cannot tell the hon. member that we will do this.

* * *

POST OFFICE

NEGOTIATIONS ON PAID MATERNITY LEAVE

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is addressed to the President of the Treasury Board. In light of the conciliation report handed down yesterday in the Post Office dispute, I wish to follow up on comments the minister made regarding pregnant women, and also with regard to health and safety in the work place. The minister says he is not prepared to accept the fact that this is a responsibility of the government but that it must be negotiated. When will the negotiations take place? Will the minister assure the House that they will begin immediately so that these problems can be ironed out and we will not be faced with a postal dispute?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I believe I indicated quite clearly in my first answer that I hope to see the negotiators back at the table in the next several days. That is our purpose. Our intent is to bring this to a rapid conclusion with a fair settlement for both the postal workers and the taxpayers of Canada.

• (1440)

REQUEST FOR MINISTERIAL ACTION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the conciliation officer has indicated very clearly in his report that discrimination is there. In light of the fact that a strike vote is being taken and will probably be reported tomorrow and a strike could take place as early as Monday, will the President of the Treasury Board, the Postmaster General and the Minister of Labour make themselves immediately available to the postal workers to try to iron out this very serious dispute? We have had co-operation from all sides of the House to form a Crown corporation to try to bring some

order into this Post Office and I urge the minister to carry out that request.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, let me assure the hon. member that we are anxious to bring this, what he calls dispute, to an amicable and fair settlement as soon as possible.

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ENVIRONMENTAL AFFAIRS

REPORTED REPEAL OF UNITED STATES AIR POLLUTION STANDARDS

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of the Environment. In view of reports coming out of Washington during the weekend that the United States Environmental Protection Agency intends to repeal its air pollution standards which restrict acid rain, I ask whether the minister was advised of this during his recent visit to Washington and, if so, what reaction did he express on behalf of the Canadian government to this startling statement, and what weight does the government now place on the solemn assurances given to the government by President Reagan when he visited this country a few months ago that the United States intended to support vigorously Canada in its fight against acid rain?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, to take the last part of the question first, the assurances which were given on negotiations for an international agreement with us on the transportation of air-borne pollutants have been met. These discussions and in the sense of formal negotiations began today. I must say to the hon. member that we are extremely concerned about reports coming out of Washington, leaking what appears to be a draft recommendation of the Environmental Protection Agency. If that draft is indeed confirmed and these are the proposals that are placed before Congress, we would consider this to be an extremely retrograde step.

REQUEST THAT MINISTER VISIT WASHINGTON

Hon. George Hees (Northumberland): Madam Speaker, does the minister plan to make a visit in the very near future to Washington to express in person the consternation of the Canadian government and the Canadian people at this change in attitude, completely unjustified, which has taken place, and to remind the American Congress and the American government of just what President Reagan said when he visited this country a few months ago and gave us a very solemn assurance that they would fight side by side with us in this battle against acid rain?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, we have indeed been making representations most vigorously in a continuing way, as recently as last Friday. Those representations are continuing by every means possible. I do hope I will be able to renew my representations. I have been to Washington several times recently in order to do that, and I hope the hon. member opposite will make use of his contacts in Washington to make sure that our similar viewpoint is well known to people in Congress.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY MR. SAMARANCH, PRESIDENT OF THE INTERNATIONAL OLYMPIC ASSOCIATION

Madam Speaker: It gives me great pleasure to draw the attention of the House to the presence in our gallery of His Excellency Mr. Juan Antonio Samaranch, President of the International Olympic Association.

* * *

[*English*]

INCOME TAX

TAX AUDIT OF NEWFOUNDLAND FISHERMEN—ATTACHMENT OF EARNINGS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of National Revenue. The minister has received a telegram from the minister of fisheries of Newfoundland which says that in excess of 1,400 fishermen have had their gross earnings attached at various fish plants in the province for in excess of 50 per cent of all their gross earnings, and that this is causing considerable hardship to them and their families.

I know of the case of one man whose gross pay was $150 and he was left with a take-home pay of $9 after 50 per cent of his gross was attached, UIC premiums taken out, along with union dues and cost of fuel supplied by the company. He was left with $9 for the week. He owes $918 to National Revenue. Is the minister checking into this and will he direct his officials not to attach more than a reasonable amount of these gross earnings? We know that the taxpayer who owes taxes has to pay them, but is the minister taking special steps to have this checked out? This was done by survey with the various fish plants, and this is what the report has been on the attachments at these fish plants of 1,400 fishermen.

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, with regard to telegrams from various ministers, I think my colleague, the Minister of Fisheries and Oceans dealt with that yesterday. I might say to the hon. member that when I visited Newfoundland recently to meet with not only two ministers of fisheries from the Atlantic provinces but, indeed, with unions, I had my officials meet with them and we set in motion a plan to contact each fisherman who received a 50 per cent garnishee. Of those, we

have come to an accommodation with almost 50 per cent, and we are attempting to contact, either by letter or by phone, all fishermen to ensure that a reasonable and fair settlement is arrived at with them on an individual basis. If the hon. member has any details with regard to individual problems, I would be glad to look at them myself.

STATEMENT ATTRIBUTED TO MR. ROONEY

Hon. John C. Crosbie (St. John's West): Madam Speaker, I notice that the Minister of National Revenue is prepared to look at these cases himself and there may be 1,400 of them who may be interested. The MP for Bonavista-Trinity-Conception, and I quote from the St. John's evening *Telegram* of June 3, "has declared that he does not wish to associate himself with the insensitive and heavy handed methods being used by the minister's department to extract back taxes from Newfoundland fishermen." He is also reported to have said that in his own riding 250 fishermen have had over 50 per cent of the gross value of their catch, before expenses and shares to crewmen, seized. He does not like this. He does not want the department doing it and he does not want to associate himself with this.

Will the minister inform the House whether he has now satisfied that hon. member that the 250 attachments have been withdrawn so he can associate himself with the insensitive and heavy handed methods, or just what has the minister done about that public complaint by one of his own caucus?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, the hon. gentleman is a member himself and knows that the law must be applied whether it is a pleasant or an unpleasant law. It has to be applied, but it must be applied fairly and equitably. There were 1,457 fishermen in Newfoundland who received a 50 per cent garnishee. Of that number, in the case of at least 50 per cent we have contacted them and come to an acceptable arrangement with them. We are attempting to contact the others and we will approach each one on an individual basis, depending on their ability to pay.

* * *

ENERGY

MEASURE TO ENCOURAGE POWER DEVELOPMENT IN NEWFOUNDLAND

Mr. George Baker (Gander-Twillingate): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday the minister tabled in the House a discussion draft of the energy security act. In view of the loud and unfounded criticism of the minister by the Premier of Quebec and by certain members of the opposition, will the minister assure this House that he will pursue the amendments to the National Energy Board Act for the benefit of Newfoundlanders and for all Canadians, and that he will respond in detail to the Premier of Quebec?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all I would like to tell the hon. member that the member for Vancouver-Kingsway, who was worried that this draft bill would hurt the negotiations, was out of his depth again. This draft bill was tabled after discussion with my colleague, the minister for energy for Alberta, and he understood exactly how we were proceeding and why we were proceeding in this particular instance, and our negotiations are going to carry on as planned.

[*Translation*]

As for the statement made by the Quebec premier, Madam Speaker, I would like to point out that what we are now proposing to do is the same thing that we have been doing for many decades for the transmission of natural gas and oil in Canada. Quebecers in general have always gladly relied on Alberta gas and oil without any province being able to prevent that gas and oil from crossing its territory and reaching Quebec consumers. What we are proposing is that the same rule be applied to electricity as to natural gas and oil from which Quebec as a whole has benefited for a long time.

* * *

• (1450)

[*English*]

NATIONAL ENERGY PROGRAM

IMPACT ON VALUE OF CANADIAN DOLLAR

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I do not know where the minister was a few weeks ago because it is quite clear that under the Constitution he has the ability to do that now, and does not need this additional legislation, but that is not my question. It relates to a question I put last week on the impact of the NEP on the level of the Canadian dollar. Since then I have calculated the total impact over a 12 month period is somewhere between $8 billion and $10 billion—that is the Petrofina purchase, the lost production based on fields becoming uneconomic, the Alberta cutbacks, investment outflows by independent Canadian producers, rigs leaving the country, and a diversion of capital from this country.

Since this is having and will continue to have a significant downward impact on the level of the Canadian dollar, I ask the minister is the government considering any changes in the energy policy, either to alleviate this pressure or to spread it out over a longer period of time?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am very surprised that my hon. colleague would suggest the government should act because we have the constitutional power even if Parliament has not given the government the legislative right to act. We need the legislation to implement the powers that exist under the Canadian Constitution.

As for the second part of the question, I am surprised that in the hon. member's calculations he forgot to mention the great

benefits which have resulted for the industrial and manufacturing sectors in this country over the last year—

An hon. Member: Where are they?

Mr. Lalonde: —by the fact the Canadian dollar was at a discount. This has meant that Canadian industry is able to export competitively to the rest of the world like never before, and has created thousands and thousands of jobs in this country. I am amazed he does not seem to recognize that.

Some hon. Members: Hear, hear!

INCREASED CAPITALIZATION OF PETRO-CANADA

Hon. Michael Wilson (Etobicoke Centre): I was looking for an answer to my question, Madam Speaker. But what the minister neglects to say in his response is that the negative impact on business as a result of the deadlock, as a result of rigs leaving the country and lost production, is much greater than anything he referred to in his answer. We are looking at $25 million a day leaving the country, jobs leaving the country, and it is a direct reflection of the high interest rates in this country.

Yesterday the minister introduced his energy security legislation which smuggled in a two and a half times increase in the capital of Petro-Canada, effectively removing about—

Madam Speaker: Order, please. The hon. member is really quite long in both his questions. I would ask him to be brief.

Mr. Nielsen: So are the answers.

Mr. Wilson: Is the minister proposing to direct Petro-Canada to spend that capital in ways that will not have a continuing downward impact on the level of the Canadian dollar, such as takeovers of foreign companies at exorbitant prices as in the case of the Petrofina acquisition?

Some hon. Members: Yes or no?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is looking through very dark glasses these days. He should take the trouble to read the papers. Yesterday the president of Gulf Canada, an international company, announced plans to spend $675 million in the Beaufort Sea alone in exploration and drilling over the next few years. As far as Petro-Canada is concerned, it remains the objective of this government that it should become as large as any of the multinationals that have been operating in this country.

Some hon. Members: Hear, hear!

Mr. Lalonde: We intend to equip Petro-Canada with the means and powers to achieve this particular objective. As far as takeovers of foreign multinationals are concerned, that means the dividends and profits of those companies are going to remain in Canada over the next few years rather than being shipped abroad. That is the policy of this government.

Some hon. Members: Hear, hear!

* * *

HEALTH

SHARING OF PESTICIDE DATA BETWEEN CANADA AND UNITED STATES

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Recent reports have revealed fraudulent or deficient testing of chemicals by about 25 U.S. laboratories in addition to Industrial Biotest, and I understand that at least another 31 are considered suspect. In the past, officials of the minister's department have been quoted as saying that the IBT affair was an isolated one and that they had no information at all on investigation of other labs. Yesterday in the House the minister said she expected to receive information on studies done by other labs by the end of this calender year and that she would make the information public, identifying the companies and products involved. By the way, Madam Speaker, I have asked reporter Peter von Stackleburg to send the minister the U.S. report so that we can speed up this process.

Would the minister care to tell us if Canada has a memorandum of understanding with the U.S. to share pesticide data, and if so, why the U.S. would not inform Canada of the problems associated with products which may be on the Canadian market?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I fear that the hon. member might once again be on a witch hunt. He must have read the reply I gave yesterday—and I gave an accurate answer, as I believe that we must all do in this House. I can today confirm that the reports of the United States Food and Drug Control Agency are on their way to our offices. However, the number of reports which would be invalid seems rather high according to the figures quoted by the hon. member. I can only repeat what I said yesterday. As soon as we have received our own copy of these reports which are now on their way, we shall identify the Canadian companies and the products used in Canada which may correspond to the invalid studies. This will take us until the end of the year as the missing tests for these products will have to be completed.

[*English*]

INCREASED TESTING CAPABILITY

Mr. Simon de Jong (Regina East): Madam Speaker, my supplementary is for the same minister. It is distressing for me to hear that she considers my attempts to make this information public—a witch hunt.

Yesterday four top officials of IBT, including the president, were indicted in Chicago for fraud in the testing of chemicals. Now we are told there are at least 24 other laboratories that have been doing faulty testing. Does the minister not feel that we need to increase our toxicological assessment capacity in Canada, and at the very least require labs to meet good laboratory practice standards before we accept their studies for registration purposes?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Yes, of course, Madam Speaker. This is our objective. Early in my mandate, many months ago, the hon. member asked me whether we would open in the very near future a toxicology centre in Canada. I had replied, quite rightly I believe, that as long as we could do so, we would work jointly with the United States and Great Britain in particular, because there is a tripartite committee for the exchange of scientific information, so as to avoid additional costs for Canadians. We are now considering various relatively vague proposals which could eventually lead to the establishment of a truly Canadian toxicology centre. The details still have to be finalized. We are trying to prevent a waste of public funds.

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[*English*]

VETERANS AFFAIRS

APPOINTMENT OF FULLTIME MINISTER

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Prime Minister. Some time ago he stated he would be appointing a fulltime minister of veterans affairs. My reason for raising the question at this time is that we have some very serious problems in the Department of Veterans Affairs, especially dealing with the length of time it takes to process pensioners' applications. The present minister has not been able to find a solution to the problem, so can the Prime Minister inform us when he will be appointing as a full-time minister someone who can deal with this very serious problem in the department?

Right Hon. P. E. Trudeau (Prime Minister): The information I was able to gather in my inquiries, Madam Speaker, was that, on the contrary, the minister was doing a remarkably good job as minister of veterans affairs.

Some hon. Members: Hear, hear!

Mr. Crosbie: Why didn't you jerk your thumb?

Mr. Trudeau: However, that does not deter me from my general intention, Madam Speaker, of appointing a minister expressly for that portfolio. I have no intention of doing it at this time. I usually consider—

Mr. Crosbie: The byelection is over.

Mr. Trudeau: The hon. member for St. John's West has views on this as he has on most things, but as on most things they do not make much sense. Madam Speaker, a byelection has nothing to do with the appointment.

● (1500)

DECENTRALIZATION OF DEPARTMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my supplementary question is directed to the Prime Minister or to the acting minister. I received a letter today from a veteran in British Columbia who has been waiting for his application to be processed since April, 1977. He feels that it will take up to another two years, which will mean that it took from five and a half to six years to process his application.

The chairman of the pension commission and the Auditor General have stated that the staffing problems involved in the move to Prince Edward Island are causing delays in the processing of claims. The Auditor General stated that only 20 per cent of headquarters staff are prepared to make the move and that many trained personnel are resigning or leaving to take jobs in other departments. Is the minister considering leaving the pension commission in Ottawa so as to rectify the one to five-year delay in processing the applications of veterans?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is raising a particular case of which he has not given the minister or myself notice. It would be our concern to settle the particular case. A particularly outstanding one such as this should be drawn to our attention. If the hon. member was really sincere in getting results, he would have perhaps tried that route before raising the question in the House.

In so far as our program of decentralizing federal services is concerned, including the services of the Department of Veterans Affairs, our policy is well known. I find it remarkable that hon. members opposite, who are always accusing us of trying to centralize the country, should object to a policy which on the contrary is meant to bring federal services to the various regions.

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INDIAN AFFAIRS

POLICE RAIDS ON RESTIGOUCHE RESERVE IN QUEBEC—PLIGHT OF INDIAN WOMEN AND CHILDREN

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. While the subject of the alleged abuse of salmon fishing was well aired this afternoon and it was encouraging to hear the remarks of both ministers, I should like to receive assurances that an investigation is also taking place into the abuses in the raids carried out on women, children, and defenseless people in that particular reserve.

Point of Order—Mr. Andre

Are we concerning ourselves with civil liberties and the rights of Canadians in such a case where the heavily-armed and overly-armed police of a particular government used a heavy-handed approach to a matter which might have been investigated in a much more reasonable manner? These people were defenseless. Will we attempt to determine exactly who were the perpetrators and the wrongdoers in this particular case?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, photographs were handed to me depicting what happened on June 11. They showed a tremendous number of police personnel and a tremendous number of cruisers, buses, and other heavy equipment and armament in that general vicinity. These pictures are being sent to the Solicitor General.

I had an opportunity to talk with the Solicitor General respecting signed affidavits which were prepared on the reserve. They are being forwarded to me by the National Indian Brotherhood. The affidavits claimed that some very excessive force was applied to various Indian persons on the reserve. The Solicitor General indicated that he is waiting to receive that documentation and will be more than happy to look into the claims of excessive use of force. I think any further questions along this line would be more appropriately directed to my colleague, the Solicitor General.

Mr. Paproski: Send in Marc Lalonde as a negotiator, Madam Speaker.

* * *

POINT OF ORDER

MR. ANDRE—PROPRIETY OF SUPPLEMENTARY ESTIMATES (A)

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise on a point of order respecting supplementary estimates (A) that were deemed to have been reported last evening and from which will arise an appropriations bill this Friday. I talked to the President of the Treasury Board (Mr. Johnston) about this particular period, and he agreed that this would be an appropriate time to raise the matter.

Supplementary estimates (A) are very simple in that they consist of a single item, namely the energy program of the Department of Energy, Mines and Resources. The estimates contain two separate money items. The first is vote 20a, which is described as follows:

—Payments to refiners and other importers of crude oil and petroleum products for the purposes of Part IV of the Petroleum Administration Act—$2,143,300,000.

Then the second part is a statutory item entitled "Petroleum Compensation Revolving Fund" in a negative amount of $2,143,300,000, which is identical to the amount in vote 20a. Therefore the net budgetary expenditure is zero, because one has been netted against the other or has been subtracted.

Further in the estimates there is an explanation of the requirement which shows that increased oil compensation payments require the additional $2,143,300,000. Then there are increased revenues to the Petroleum Compensation Revolving Fund in that amount. Thus it is a negative amount of $2,143,-300,000. Then there is an explanation of the objects of expenditure in the amount of $2,143,300,000, less increased revenues of the same amount. The net expenditure is supposedly zero and the net requirement is supposedly zero.

I believe these estimates, particularly the item entitled "Statutory", the Petroleum Compensation Revolving Fund, are out of order and inappropriate for these estimates for three reasons. In fact, I believe the estimates as presented are false in terms of what they are supposed to be. They are misleading and out of order according to the precedents and standards required of estimates, as indicated by decisions of Your Honour's predecessors and as set out in Beauchesne's fifth edition.

I believe there are three separate reasons why the item is out of order. First, the statutory item is not an expenditure; it is a revenue item. In fact it is described further on in the estimates as increased revenues in the amount of $2 billion, as well as "Less: Increased Revenues" of $2 billion. On two occasions the item is described as a revenue item. The estimates are intended to present to Parliament the spending program of the government, not its revenue program.

The revenue program is handled in a different manner. It is handled through taxation and presented to the House in the form of a public account at the end of the year in terms of total revenue. However, during the course of the year we have other sources of information from the government as to its revenue intentions. The estimates are not intended to indicate revenues.

I should like to bring to the attention of the Chair Section 484 of Beauchesne's fifth edition, page 169, under the section entitled "Estimates", wherein the following is indicated:

The purpose of the estimates is to present to Parliament the budgetary and non-budgetary expenditure proposals of the government for the next fiscal year. These estimates include Votes, which Parliament is asked to approve through Appropriation Acts, as well as other items called statutory items, for which the required expenditures have already been approved through existing legislation and are included only for information purposes.

Very clearly, according to Beauchesne's fifth edition, the estimates are supposed to include only expenditure items—two types, votes requiring an appropriation act, and "statutory" where there is an existing legislative authority. They are not intended to include revenues for which some legislative authority might exist.

Section 487 on the same page of Beauchesne's fifth edition reads as follows:

(1) The Estimates are limited to setting out only the sums which it is calculated will be required in the current year,—

It is just a reinforcement of Section 484 in terms of the intention of the estimates. I maintain that, as a result of this being a revenue item and not a spending item, that statutory item should be ruled out of order.

● (1510)

My second and additional reason why this statutory item is out of order has to do with the purpose of the petroleum compensation revolving fund. The supplementary estimates do not contain a description of what the purpose of the fund is but the main estimates for 1981-82 do. I refer the Chair to page 7-32 of the main estimates. There the objective of the petroleum compensation revolving fund is defined in this way:

To provide incentives for the development of designated classes of high-cost domestic petroleum through the payment of compensation to first users of such petroleum—

In other words, the petroleum compensation revolving fund is for the purpose of subsidizing or making payments to users of high cost domestic petroleum—not imported petroleum but domestic. Further evidence is contained on page 7-34 of the main estimates and, indeed, may be found in Chapter 34 of the Adjustment Accounts Act as well as Chapter 72(4) of the Petroleum Administration Act.

It is very clear that the statutory authority for the petroleum compensation fund is to subsidize domestic high-cost petroleum. At present Syncrude is the only one to fall into that category, with oil produced from the tar sands in Northern Alberta. If you look at vote 20a, Madam Speaker, it clearly states that it is for the purpose of "payments to refiners and other importers of crude oil and petroleum products for the purposes of Part IV". My point is that this estimate nets off the petroleum compensation fund, which is a revenue item, from vote 20a, the moneys required to subsidize imports. It is an inappropriate mixing. Vote 20a deals with the subsidization of imports. The statutory item deals with the subsidization of Syncrude oil produced in Canada.

They are apples and oranges. It is inappropriate to suggest that on the one hand, since we require a dozen more apples, we can subtract the dozen surplus oranges we have and reach a net requirement of zero fruit. They are not the same thing; they are two different items. I submit that it would be equally inappropriate for the government to take corporate taxes and in the estimates subtract those from fiscal transfers to the provinces, for example, and therefore say that the net spending on fiscal transfers in this new figure. They are two different items; they do not belong on the same side of the ledger paper. Even if they did by some peculiar reasoning, you should not subtract the two anyway because they are different items.

My third reason for submitting that that statutory item is out of order has to do with the fact that the item is itself anticipatory. In fact, there is no legal authority for the amounts contained therein. I refer the Chair to Citation 484 of Beauchesne which states:

These estimates include Votes, which Parliament is asked to approve through Appropriation Acts, as well as other items called statutory items, for which the required expenditures have already been approved through existing legislation and are included only for information purposes.

Clearly, a statutory item must be backed up by existing legislation. Even if the statutory item was a true expenditure, as opposed to a revenue item, it would be out of order for inclusion because the necessary legislation allowing the government to raise these funds has not yet been passed. Indeed, the necessary amendments to the legislation have not even been introduced.

I refer the Chair to notice of ways and means motion from *Votes and Proceedings* of July 11, 1980, and also to notice of ways and means motion of June 2, 1981, which is a notice of ways and means motion to amend the Petroleum Administration Act in a way which would provide the authority for the government to collect those revenues which would go into the petroleum compensation fund, which is supposed to be used to subsidize synthetic crude oil. The ways and means motion has not been introduced or voted upon in this House. Nor have there been amendments to the Petroleum Administration Act.

Indeed, yesterday the Minister of Energy, Mines and Resources (Mr. Lalonde) tabled in the House a document entitled "Discussion Draft of the Energy Security Act 1981". Contained therein are those provisions which would give the statutory authority to collect the moneys which are indicated as being in the supplementary estimates as a negative expenditure, whatever that is. So there really is no legal authority yet for that measure.

You will recall, Madam Speaker, that when this issue was first raised on July 11, 1980, we on this side of the House raised a point of order having to do with the appropriateness of using a notice of ways and means motion for this particular device. It really is not a tax, it is a revolving type of fund. At that time Your Honour ruled that this was a legal question beyond the competence of the Chair and inappropriate for the Chair to decide upon. Subsequently we sought legal advice on this matter and were advised that, in fact, it was illegal. We were also advised that were we to pursue the matter we would be achieving a pyrrhic victory, since all that would be required would be for the government to pass retroactive legislation, which is what is being done in this energy security bill.

The language in that proposed legislation shows on page 22, I believe, that the provisions will become effective on July 10, 1980. This is an indication that some time in the future an act will come before us which will apply to a period about a year and a half ago, which will give statutory authority to an item which is placed into these estimates, subtracted from another item. So there is net spending even though they are apples and oranges and even though it is inappropriate to have revenue items in the estimates in the first place, since the estimates are supposed to talk about expenditures.

For all of the reasons I have set out, Madam Speaker, I humbly submit to you that it would be appropriate to request the government to strike out this item. It does not affect the government's appropriations. We will not have to sit here all summer while remedial action is brought in. The net effect will be to put the supplementary estimates in order, making the information contained therein accord with the rules as established by Beauchesne and Your Honour's predecessors. I believe this will contribute to a better understanding of what is being spent, what is being raised, and how many apples and oranges we have as opposed to the mismanagement that we see.

Point of Order—Mr. Andre

Some hon. Members: Hear, hear!

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, there seems to be some confusion in the mind of the hon. member for Calgary Centre (Mr. Andre) with respect to what is intended by supplementary estimates (A). Last night I commended the hon. member as a chemical engineer having turned his hand to law, but I will have to qualify that commendation this afternoon.

If you look at the vote in question, vote 20a, essentially it seeks additional spending authority under Energy, Mines and Resources, vote 20. Energy, Mines and Resources, vote 20, called for payments to refiners and other importers of crude oil and petroleum products for the purposes of Part IV of the Petroleum Administration Act of $3,015,400,000. The purpose of supplementary estimates (A) is simply to increase that amount in the amount indicated, namely, $2,143,300,000.

• (1520)

Madam Speaker, one does not vote statutory items. The statutory item which appears beneath that, the petroleum compensation revolving fund, is inserted for the information of hon. members, to show that if and when legislation is adopted, there will be a netting of these amounts. Because it is the intention, as indicated by the Minister of Energy, Mines and Resources (Mr. Lalonde), to create a fund which will be net. However, at the moment this is not the case, and no one is seeking that to be the case. We are simply seeking additional authority to extend the further amount for the same purposes, namely, payments to refiners and other importers of crude oil and petroleum products for the purposes of Part IV of the Petroleum Administration Act.

If one looks to the contribution at the bottom of page 2 of the estimates, one will see that increased payments to refiners and other importers of crude oil and petroleum products is expressed as a gross amount of $2,143,300,000. Therefore, I suggest to Your Honour that the hon. member for Calgary Centre has not understood the purpose of showing netting, which is done for information and factual presentation to hon. members of this House. It is done to provide additional information. Unfortunately, in this case it appears to have caused some confusion in the mind of the hon. member for Calgary Centre.

Some hon. Members: Hear, hear!

Madam Speaker: First of all, I thank the hon. member for Calgary Centre (Mr. Andre) for bringing this matter to the attention of the Chair. I thank the hon. minister for his remarks. Obviously, this question is highly technical and I would like to take it under advisement.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC ACCOUNTS

Sixth, seventh and eight reports of Standing Committee on Public Accounts—Mr. Clarke.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,098, 2,269, 2,281, 2,344, 2,346, 2,350, 2,428, 2,592, 2,593, 2,594.

[*Text*]

ATLANTIC CANADA—PROPOSED GULF REGION

Question No. 2,098—**Mr. McGrath:**

What is the jurisdiction of the proposed new gulf region in Atlantic Canada and where will the headquarters be located?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): The gulf region will encompass all of the Gulf of St. Lawrence, extending in the north to include the Strait of Belle Isle and in the south to a line extending from Cape North Nova Scotia to the Ramea area on the south-west coast of Newfoundland. It will include the whole of the 4R, 4S, 4T and 3Pn statistical areas of the North Atlantic Fisheries Organization. The land boundaries of the gulf region will include all of the provinces of Quebec and Prince Edward Island, and the headwater areas of all rivers in New Brunswick, Nova Scotia and Newfoundland which flow into the Gulf of St. Lawrence as defined here.

The headquarters of the new region will probably be permanently established in the general area of Moncton, New Brunswick.

INTERDEPARTMENTAL DUTY REMISSION COMMITTEE

Question No. 2,269—**Mr. Herbert:**

1. (a) What is the mandate or term of reference of the Interdepartmental Duty Remission Committee of the tariff section of the Department of Finance (b) can interested parties make representations to the committee before decisions are rendered and, if so, by what means (c) is it necessary for a company to be in financial difficulties before an application for the remission of duties can be considered (d) are applications for remission of duties made public?

2. For each member of the committee (a) what is his/her classification and salary (b) is he/she an employee of the Department of Finance (c) was he/she seconded from another department and, if so, which department?

Hon. Pierre Bussières (Minister of State (Finance)): 1. (a) The Interdepartmental Remission Committee is composed of representatives of the Departments of Finance, National Reve-

nue, and Industry, Trade and Commerce. Depending on the agenda, representatives of other departments may attend particular meetings (e.g., Department of Agriculture in the case of duty remission applications on agricultural products). The committee is chaired by Finance; National Revenue provides its secretary. The committee was established by senior trade policy officials to provide an interdepartmental forum for the review of requests for the introduction of orders in council, pursuant to Section 17 of the Financial Administration Act, to remit duty and/or sales tax on imported goods. The committee gives advice to ministers on the policy implications of remitting duties or taxes in particular cases. Its decisions and the general policy framework within which it operates are subject to review by senior officials of the noted departments.

(b) Decisions and recommendations by the committee are made in response to representations from individuals, companies and other applicants. Requests are usually made in writing but applicants are free to make supplementary oral presentations to the committee if they so desire.

(c) There are no pre-conditions to be met by an applicant before making a request for duty or sales tax remission. Each request is judged on its individual merits. The impact of the duty or tax on an applicant's financial position is usually taken into account in reaching a decision and may be a deciding factor in some cases.

(d) As a rule, applications for remission are not made public although in some cases other interested parties are asked for their views on the substance of an application.

2. (a)

Committee Member	Classification	Salary Range
Chairperson (Finance)	ES7	$43,921-47,859
Secretary (Nat. Rev.)	PM5	$27,540-31,056
Finance	Various but usually ES5	Various but usually $34,552-39,532
National Revenue	PM 5	$27,540-31,056
Ind., Trade & Commerce	CO 3	$32,490-41,619
Other Departments	Various	Various

(b) As noted above, only the chairperson and representatives of the Department of Finance are employed by the department.

(c) Members of the committee are not seconded from their departments. Rather, their membership is part of their regular departmental responsibilities.

SKILLED IMMIGRANTS DESTINED FOR QUEBEC

Question No. 2,281—**Mr. Herbert:**

What percentage of (a) professional and technical (b) worker immigrants entering Canada were destined for Quebec in 1980?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Statistics collected on new immigrants to Canada destined to the labour market, do not distinguish between technical and professional workers.

The following table gives preliminary figures for persons admitted as permanent residents to Canada destined to Quebec, according to intended occupational group.

	Admitted to Canada	Destined to Quebec	Percentage
Entrepreneurs	264	55	20
Managerial-Administration	3,050	406	13
Natural Science, Engineering and Mathematics	4,997	719	14
Social Science	497	86	17
Religion	452	58	12
Teaching	1,884	402	21
Medicine and Health	2,667	294	11
Artistic, Literary, Performing Arts	1,096	224	20
Sports-Recreation	118	16	13
Clerical	7,176	957	13
Sales	2,463	417	16
Service	4,596	905	19
Farming-Horticultural-Animal Husbandry	2,446	295	12
Fishing-Hunting-Trapping	256	14	5
Forestry-Logging	39	3	7
Mining-Quarrying Including Gas & Oil	74	5	6
Processing	1,530	248	16
Machining	2,849	401	14
Product Fabrication-Assembly-Repair	10,295	1,634	15
Construction	2,882	288	9
Transport	1,189	161	13
Material Handling	442	56	12
Other Crafts and Equipment Operating	439	60	13
Unknown	347	65	18
Not Elsewhere Classified	11,471	2,096	18
Total Immigrant Workers	63,519	9,865	15

CENSUS—SOURCES OF CONTACT NAMES

Question No. 2,344—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,000 which states in part, with regard to the taking of a census, that the office of the minister responsible for Statistics Canada provides Statistics Canada with the name of a contact for each federal electoral district, what are all the sources from which the office of the minister or the minister obtains the names of such contacts?

2. Of the present contacts for each district, what number are Liberal members of Parliament and what number are presidents or officials of Liberal constituency associations?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: 1. The names of contacts for each federal electoral district are obtained by the minister from government party M.Ps.

2. Of the present contacts, eight are Liberal members of the House of Commons and the Senate. Statistics Canada does not have information which would permit it to determine what number are presidents or officials of Liberal constituency associations.

Question No. 2,346—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,001 which states in part, that candidates' names for census commissioner positions may be obtained from several sources, what is a description of the sources?

Order Paper Questions

2. For the 282 constituencies, what number of the sources are Liberal members of Parliament or presidents or executive members of Liberal constituency associations?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: 1. The names of candidates for the position of Census Commissioner are obtained from local constituency contacts, through unsolicited direct application to Statistics Canada, through employment and immigration offices, from lists of persons having previous census experience.

2. See question 2,344, part 2 answered this day.

ILLEGAL IMMIGRANTS—CONTROLS

Question No. 2,350—**Mr. Flis:**

1. What was the estimated number of immigrants illegally in Canada for each year 1975 to 1980?

2. What mechanism or method of control does the government employ to monitor the entrance and exit of visitors and immigrants to Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. There is no way of estimating the number of persons illegally in Canada.

2. There are no exit controls for immigrants or visitors leaving Canada. All persons seeking entry to Canada are examined on the primary inspection line and those whose intent or purpose is judged questionable are referred to immigration for further consideration.

Those visiting for over three months are documented on the form IMM. 1097. Others visiting for under three months may also be documented on IMM. 1097 at the discretion of the examining officer. Those with approval to work here for a specified time in a pre-arranged job are documented on the form IMM. 1102 and overseas students intending to attend school here must complete a form IMM. 1208.

All immigrants are documented on their visa and landing records on form IMM. 1000, which is retained as a permanent record of their permanent residence status in Canada.

PAYMENT OF MEMBERSHIP DUES IN PRIVATE CLUBS—GOVERNMENT POLICY

Question No. 2,428—**Mr. Cossitt:**

With reference to the answer to question No. 1,591, for what reason do the heads of Crown corporations have the privilege of their dues being paid to private clubs when such privileges are not extended to cabinet ministers or deputy ministers of departments?

Hon. Donald J. Johnston (President of the Treasury Board): The policy of the government with respect to the payment of membership fees by Crown corporations listed in Schedule B of the Financial Administration Act is to pay membership fees only when membership in a particular organization is in the direct interest of the government or when membership is a legal prerequisite for the individual employee to continue carrying out his or her duties.

Policies with respect to the payment of membership fees by individual Crown corporations listed in Schedules C and D of the Financial Administration Act are established by the individual boards of directors of those corporations.

The Treasury Board directive does not permit payment of membership fees for a public servant of any rank if such membership is primarily in the interest of the individual or not directly related to the departmental program.

Treasury Board directives, such as payment of membership fees, do not apply to members of Parliament, including cabinet ministers, who come under the rules of the House of Commons.

CONTRACTS TO LEIGH INSTRUMENTS, PATLON AIRCRAFT & INDUSTRIES AND REXNORD CANADA LTD.

Question No. 2,592—**Mr. Stewart:**

Did the Department of Labour purchase bearings from (a) Leigh Instruments valued at $10,167 (b) Patlon Aircraft and Industries valued at $17,270 (c) Rexnord Canada Ltd. valued at $11,868 and, if so, for what purpose will they be used?

Hon. J.-J. Blais (Minister of Supply and Services): No. However, three contracts were awarded, on behalf of the Department of National Defence. The details are as follows:

(a) Leigh Instrument valued at $10,167. The bearings are to be used in radar equipment installed in Canadian Forces ships.

(b) Patlon Aircraft and Industries valued at $17,270. Two types of bearings were purchased, one to be used in the airframes of the Tracker Aircraft, the other for use in the rear fuselage controls of the T33 aircraft.

(c) Rexnord Canada Limited valued at $11,868. The bearings purchased are to be used in the under carriage of the C130 aircraft.

CIDA—JOHN DEERE LTD. CONTRACT

Question No. 2,593—**Mr. Stewart:**

Did the Canadian International Development Agency purchase a baler valued at $13,421 from John Deere Ltd. and, if so, for what purpose will it be used?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services, on behalf of the Canadian International Development Agency, awarded a contract to John Deere Ltd. for a baler, a mower and a rake plus a supply of spare parts. The total cost was $13,420.91. The equipment is to be supplied to Zambia as grant aid for a wheat development project.

ACF COMMUNICATIONS LTD. CONTRACT

Question No. 2,594—**Mr. Stewart:**

Did the Privy Council Office award a contract for $140,000 to ACF Communications, Ottawa, for media information services and, if so (a) what services were provided (b) what are the names of the principals of the Company?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract, on behalf of the Privy Council, to ACF

Communications Ltd., Ottawa, Ontario, in the amount of $140,000. The contract was for the provision of daily summaries and analysis of major national electronic and print media news. The only principal officer of the company is Mr. A. Fraser, president.

[*English*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if Question No. 2,343 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is it the pleasure of the House that Question No. 2,343 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

CENSUS—CONTACTS IN EACH CONSTITUENCY

Question No. 2,343—**Mr. Cossitt:**

What are the names and addresses of contacts used by Statistics Canada for the 1981 Census for each constituency?

Return tabled.

[*English*]

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

The House resumed from Monday, June 22, consideration of the motion of Mr. Blais that Bill S-10, to amend the Corporations and Labour Unions Returns Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, when we rose last evening to vote on the very important Bill C-57, I had just begun my remarks on Bill S-10.

I see the minister is in the House. So that he does not think that all we in the opposition do is criticize, I must congratulate the minister on two or three counts. First of all, the short title, which has come to be known as CALURA, has a kind of exotic and almost intoxicating ring to the name. I think that it is an interesting way to put together a bill so that one can come up with an acronym which makes it sound exciting.

Mr. Knowles: Credit for that goes to John Diefenbaker.

Mr. Mayer: However, when one looks at the bill, it is anything but intoxicating. It is a very long and very complicated piece of legislation, even though the pages are very short.

I would also like to congratulate the minister on a couple of matters in the bill. First of all, he raises the threshold under which corporations are required to report. I think that is a welcomed part of the bill. In addition to that, apparently it will be easier to consolidate statements, and therefore easier for corporations to comply with the regulations under that bill.

However, having said that, as might be expected I think there are a lot of concerns that we have relating to the bill. It bothers me that there is really no justification given as to why we need some of this information and regulation. What I think does concern all of us in this country, which is a very large country, is that the government should take into consideration collecting some of the information that it needs in conjunction with some of the provincial governments. I can give the minister an example which I hope he will take into consideration, and I hope we raise it at committee.

The province from which I come, Manitoba, is now in the process of revising, or has just revised, the Manitoba agricultural lands protection act. This is an act which is in place to protect the lands of Manitoba from being purchased by foreigners; at least, people who do not choose to reside and work on the land. The minister stated that one of the purposes in the bill, as reported at page 10707 of *Hansard* of June 17, is as follows:

—there is presently no system which can indicate the level of technological transfers from Canadian corporations to foreign interests or vice versa.

It seems to me that, in addition to talking about technological transfers, the minister is also interested in finding out how foreign corporations operate in this country in terms of ownership. One of the things which could assist the government, and which could also cut back on the amount of paperwork required by individual corporations at the same time, would be for the federal government to set an example and try to work with the provincial governments in areas where the provincial governments would be involved in gathering the same kind of data the federal government is interested in under this bill.

Mr. Blais: They will be using this data. We have arrangements.

Mr. Mayer: The minister says they will be using this data. It seems to me that this is a suggestion which can be used by both the federal government and the provincial governments in the sense that everyone should be working together to see that when information is collected, it is collected for a purpose and in such a way which is the least painful and therefore the least expensive to the people from whom that information is being extracted.

I checked with the Manitoba government this morning to find out if there had been any co-operation or any indication that this bill was coming forward at the provincial level, so that when there are bills passed which will be collecting the same kind of information from the residents of Manitoba or, for that matter, any other province in Canada—after all, a citizen of Manitoba or a citizen of Prince Edward Island is also a citizen of Canada—that both levels of government do what they can to see that this information be collected in the most inexpensive and expeditious way possible.

It seems to me that this would do a couple of things. It would lessen the cost to the individual who is collecting this information. By the way, in some cases when this information is collected the responsibility of providing the information falls on some of the chartered accountants. I have had conversations with accountants who find it very difficult, in some cases, to comply with the requests which come from the Department of National Revenue. I suspect the same criticism would apply to whoever is collecting this information, in the sense that information is asked for and it has to be charged against the accountant's time. He really cannot bill it back to the individual client per se. Therefore, what results is that the over-all level of charge which the accountant must put on his customers has to be raised. That is something I would hope the minister would take into account. I am pleased to see that he is in the chamber this afternoon.

Very briefly, as I do not particularly want to take a long time, I have two or three concerns which I want to raise. One of the concerns, which I think has been expressed previously, is that we are in the process of developing a very large system of paper burden in this country. As an example, I do not know whether I will get a hernia from lifting this bundle of paper I have in my hand, but this is the kind of regulation which is in front of this House. This is the number of bills which are in front of the House.

● (1530)

I think we have to be careful to see that the regulations and laws we pass do not become excessive. Some time ago I read that the first five-year plan in Russia weighed several tons! The small business community in this country is concerned that the information collected be relevant and useful.

Early in the session I had a letter from a constituent about the monthly ES-1A report, which reads in part as follows:

> We have been sending this report for over a year and we have only twenty-one (21) employees.
>
> Who is benefiting other than a few statisticians who can say they bamboozled the Government to allow a 100 per cent sample?

As a result of that letter I wrote to the Minister of State for Small Businesses and Tourism (Mr. Lapointe) expressing my constituent's concern, specifically asking him if he could give some reason for the information being collected. I received a reply which I appreciated but unfortunately it did not give me any specific reason except to say that in the public sector the information is used by such agencies as the Bank of Canada, the system of national accounts and the Department of Finance in the determination of fiscal and monetary policy. That is a very heady reason for collecting information from a firm that employs only 21 people. I think this example illustrates that the government should see to it that the paperwork for small business does not become burdensome.

Clause 4 of the bill deals with the return to be filed with the Chief Statistician of Canada by corporations and labour unions. It seems ridiculous to take one quarter of the 16 pages of the bill to set out the information that the government is asking for. Clause 19 provides that the governor in council may make additional regulations.

I hope that we can take these matters into consideration when the bill is considered in committee to make sure that the information gathered is used.

Through technology, methods are available that would allow us to collect weather information at one-foot intervals between Ottawa and Edmonton. The amount of this information would be horrendous, and simply because it is possible to collect it is no real reason for doing so. It seems to me that this is the kind of labyrinth of paperwork that could result from this bill, which devotes four pages to enumerating the information that will be required.

Then, in addition, another section sets out the kind of information that the governor in council may require. We really do not know the purpose for which the information is sought.

It was pointed out earlier that a lot of federal government agencies and provincial governments collect basically the same kind of information. If we need all this information, and I am not sure that we do, then surely we should see that it is collected in the least expensive way possible.

Those are the concerns that I have with the bill, Mr. Speaker. Last night, the hon. member for Burlington (Mr. Kempling) suggested that the bill should be withdrawn and a more straightforward one brought forward. Perhaps some of the recommendations of the task force on government regulations that reported to the House last fall could be adopted. That all-party committee came up with some interesting and useful ideas about government regulations and information. The government should take its recommendations seriously and, if it does not withdraw this bill, should allow major amendments to the bill when it reaches committee.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I too wish to express my concern about some parts of this bill which has been with the Senate since December, 1980 and now, within weeks of adjourning for the summer recess, for some reason it has acquired urgency. That is apt to make

members on this side a little more suspicious than they would ordinarily be.

My colleagues have spoken at length about some reasons why they find the bill more repugnant than it would appear at first glance. Their points have been well made and I should now like to bring to your attention, Mr. Speaker, some points made by members of my constituency, businessmen who feel that they are overburdened by government regulation. They see this as another step in the regulation of the Canadian economy and do not think the information is very relevant to government.

I have with me three letters from businessmen in my constituency who have asked that I not use their names. They have a justifiable fear that the information the government is continuously seeking from private companies and information compiled on the daily lives of individuals may lead to some form of recrimination. I am not sure that such a thing would happen, but they think they have a justifiable concern and they express it by their wish to conceal their identity.

A corporation is asked to provide its name, address of head office, the manner in which the company is incorporated, the amount of authorized share capital, the number of shares, description of voting rights and the number issued. This information is already available to the government so there is no need to burden taxpayers and the corporations that contribute to the wealth of the federal government through taxes with more paperwork. As a matter of fact, I understood that this government was committed to lessening the burden of paper work on corporations, but I do not think that Bill S-10 will accomplish that. Indeed, the amount of information collected will be doubled and this will involve extra cost for corporations.

A question put to the minister by the hon. member for York-Peel (Mr. Stevens), which is reported at page 10859 of *Hansard,* reads as follows:

> Could the minister tell the House whether any evaluation was made during that study of what is the cost of complying under the act for business and for consumers throughout Canada? Is there some estimate as to what it is costing businessmen to comply with the act as it now exists, and can the minister give us any estimate as to what it will cost businessmen to comply with the new act if it is passed in its present form?

The minister replied:

> I do not have with me any information in terms of the total cost to an individual company of completing a form on an annual basis. However, I would suggest to the hon. gentleman that it would not appear to be a concern of any of the companies with whom we have had exchanges.

The government has imposed an additional cost of doing business upon private corporations, yet the minister has no idea how much it will cost them. I think if he had concern for his portfolio and the corporations for which he is responsible, he could find out how much it could cost them to complete the forms he has requested. After all, he has the resources of a department at his disposal.

The bill also requires trade unions to furnish the name and address of each employer resident in Canada with which it has a collective agreement, and the number of male and female members in the local union. I do not understand what difference it would make to the government whether a trade union member was male or female. I do not see that as information which this government would not be able to exist without. It requests the total number of employees covered by the collective agreement and the balance sheet, showing the assets and liabilities of the union. That information is already available. It is available to members of the unions and it is available in other forms to this government.

● (1540)

A statement of income and expenditures is also requested. In addition, a financial statement with respect to each special fund of the union is requested. If I were a union member, I would be very suspicious of the government, or of anyone else, who requested information which showed what I had in my strike fund and so be able to see how long the union would be able to last, how long I would be able to stay on strike and how long members would be able to be fed and clothed. I do not see any other reason for the government to be requesting this information unless it is to make judgments as to how long the government could expect work stoppages to continue and how flush the union strike funds are.

There is a clause in this bill asking international unions to make a statement containing amounts paid or credited to the union in the reporting period. I do not understand the necessity for this information. Again, information is requested about expenditures made by the union and recorded as being directly related to its operations in Canada. This information is available. It is not something which has been withheld from governments in the past. It is not something that any responsible union tries to withhold. The information is available. But now we have a bill, apparently very urgent, which the government wants to have passed asking the trade unions to comply in this manner.

On reading the speeches made in connection with this bill and the speech and interventions made by the minister, I find that he was the only speaker, to my knowledge, on that side of the chamber. He was not content to be the only speaker, but he continued to interject while other members were speaking. His interjections were on spurious points of order pertaining to who brought in the bill originally and why. I would think that if government members wish to partake, they could ask the minister responsible to share a little bit of time with them, giving members opposite the opportunity to discuss this bill in the House.

It has been said by other members that this bill does not seem to do anything productive. All it does is reward the bureaucracy with the ability to have another piece of paper in its hands, something that can be moved back and forth. The bill does not reward the individual. The bill does not add anything to productivity in Canada.

When companies and labour unions are filing returns, there should be some guarantee that these returns will be kept confidential.

This bill does not bring about any extra jobs. All it does is continue to fill the bureaucracy with paper. The bill will make

more bookwork. In other words, more company time will be spent complying with this bill. If a company does not have its own accounting department, it will have to hire outside help and pay additional costs, costs which will be passed on to the consumer.

When I look at the bill, it goes against the grain of the government's proposal to do away with the paper burden. Overregulation has been called by a number of economists one of the greatest costs to Canadian business, at about $120 per Canadian. That figure may rise to $150, and next year it may be $200. This money comes out of consumers' pockets. I do not see how that information can be used in any constructive way by the government. It seems to me, and I do not fault the minister, that someone in his department has said that this information is needed and he has neglected to ask why. I think he is remiss in that. Financial statements that corporations will have to file should be made confidential and remain so.

While I know there are other things in this bill that I and members of the business community in my constituency find repugnant, I would be remiss if I did not say that increases in the value of assets which require to be reported is a move in the right direction. But while moving properly in one direction, I find the government has moved improperly in another. For that reason I look forward to discussing this bill when it goes to committee.

Mr. Deputy Speaker: Before recognizing the minister, I should inform the House that if he speaks now, he will close the debate on second reading.

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, my remarks will be brief. I thank the hon. gentlemen who have spoken this afternoon for their contributions.

I am sure when the bill gets into committee they will help greatly. However, I want to bring precision to some of the comments that have been made in the spirit of attempting to clarify some issues, so that we will be knowledgeable as to what this bill is about when we are in committee.

Basically this bill is a statistical one. It was deemed necessary as early as 1962 because of Canada's particular position vis-à-vis the United States, the large number of subsidiary companies existing within Canada, the large amount of foreign investments and the great number of international unions in Canada. Because of these things Canada needs a system to collect information and therefore know exactly the extent of foreign investment and how many international unions are operating within the country.

This was not a bill initiated by a Liberal government. It was initiated in 1962 by Mr. Diefenbaker, who was prime minister at the time. I have been advised by those in the House during that period that it was basically a cornerstone of his policy on economic nationalism and it was strongly supported by the Tory members of the government at that time. I am very pleased that initiative was taken and brought forward.

What we are attempting to do is to remove some of the amendments which were made in 1965 by a Liberal government in order to simplify the process. The hon. member for Broadview-Greenwood (Mr. Rae) indicated in his intervention that what we were proposing would create some disadvantage or some problem for international unions in terms of their reporting. Quite to the contrary, what we are attempting to do is to put more fairness in to the reporting system so that international unions will be able to report more of the expenditures they are making for the benefit of members of Canadian unions who belong to an international organization.

In effect, what has developed is a report which was filed in 1977. In that report we saw a $45.4 million deficit. In other words, more money was going to the United States than was coming back into Canada in terms of the exchanges between the locals of international unions which operated within Canada.

As we are now preparing the amendments and as we are proposing in this bill, we will be permitting international unions to show a much more realistic picture of the money flowing into the United States or to the international unions from Canadian locals and also how much money is being invested by international unions in services and benefits available to members of Canadian locals. I trust those comments will, in some way, permit the hon. member for Broadview-Greenwood to review the provisions of this bill so that he can make his contribution in committee.

Yesterday we heard the hon. member for York-Peel (Mr. Stevens) make an issue of the colour of the various forms that were attached to the former legislation, or the legislation that I am seeking the consent of the House to amend. It is true that they are multicoloured. The argument he was making was very helpful to the case to be made by the government in the sense that, of the eight forms that he was mentioning, we are combining those eight forms into one basic form that will have to be filed by the corporations under the corporations returns portion of the bill.

● (1550)

In effect, the forms that he was referring to yesterday were not only Statistics Canada forms. There were also two forms that are required by the Department of Industry, Trade and Commerce which will no longer have to be filed with that department by the corporations. I am referring to questionnaires Nos. 3 and 4. The information that was sought by these questionnaires will be included within the major universal form that is contemplated under clause 4 of this bill.

The hon. member for York-Peel made a strong case about the quarterly surveys required of various types of corporations by Statistics Canada. Each of these surveys applies to a different sector of the economy. All corporations do not have to file all eight of the multi-coloured forms. Quite the contrary; each corporation belongs to an industrial sector and there is a special form for that sector.

What is to happen now is that one of the quarterly reports will be included within the consolidated form. Because these are quarterly surveys there will be an ongoing obligation on

the part of the corporation to file three other quarterly reports as previously required by Statistics Canada.

I would like to assure hon. members that this is not a regulatory bill. That is a misconception. There is nothing regulatory in this legislation. We are attempting to provide authorization to collect information, not to regulate it. It is quite clear that the purpose of the total information we require is not to regulate but to permit the Government of Canada, and indirectly the governments of the individual provinces, to adopt certain policies that are in the provincial or national interest.

So much for the forms. I will now deal with the question of technology transfers. I am surprised that members opposite did not comment more on that aspect of the bill because it is new. As I said in my opening remarks, there are no provisions at the provincial or federal levels where national statistics can be obtained in terms of technology transfers.

One of the major factors to be taken into consideration in terms of future economic development is access to technology. Every developing nation, middle nation and developed nation is very jealous about being able to obtain and guard its technology in order to foster its technological development. Canada has had the major advantage, as a result of having a large number of multinational subsidiaries within Canada, of having access to the technology being developed by the parent company. That is a major advantage.

There is also a requirement for our own national development and the future of international trade for Canadians that we in Canada know what sort of technology has been transferred to Canada and what sort of intentions there are in terms of developing technology within Canada so as to create a better and wider industrial and manufacturing capacity within this country. There is a recognition that, without our being able to seize upon and develop our own technology, we will not be able to develop an international capacity in trade. Basically what we will be doing is requiring companies in Canada to identify for us not the nature of the technology nor the substance of the technology that is being transferred, but the arrangements for the technology transfers that are made between companies outside and within Canada.

I wear different hats as Minister of Supply and Services. One of the major thrusts of my ministry in terms of minister of supply is to use every procurement dollar in order to improve Canada's capacity in the manufacturing sector. As the report that was tabled yesterday by the task force on the National Trading Corporation shows, in 1980 we had an $18 billion deficit in end products. That was $1 billion more than in 1979. I am led to believe that in the very near future it will be over $20 billion in end products. Therefore, we as Canadians have an obligation to reduce that deficit. We will only be able to do that if we create a better Canadian manufacturing capacity.

Within my ministry I am using every procurement dollar as best I can to encourage the Canadian private sector to develop additional Canadian capacity. Recently I announced the source development fund. It is there to try and create additional Canadian manufacturing capacity, the potential of which is identified as a result of the procurement process.

I have within my department what we call the unsolicited proposals fund, $20 million a year. It is not a large amount of money. I wish I could have $40 million or perhaps $50 million. The purpose of that unsolicited proposals fund is to encourage the development of Canadian technology, encourage the private sector, increase research and development efforts to create new technology and new marketable products, not only for the Canadian marketplace but the international marketplace. The secret behind everything I do is to try and identify technology.

[*Translation*]

A technology that we could develop and improve in Canada not only to meet Canadian requirements on the Canadian market but also those of the international market. That is why I support this bill and am very anxious to have it passed because we will then have some knowledge, which we do not have now, at the level of technology transfers from multionationals and other sources to Canadian branches as well as from Canadian corporations to other foreign companies. It seems to me that it is actually a major need in our economy, and I am quite surprised that no member opposite has said that it is essential for Canadians to have such information and that indeed the only way to obtain them was to use Statistics Canada, a most efficient tool not only in Canada but throughout the world.

[*English*]

Statistics Canada is the agency that will be collecting all the information that is required under the Corporations and Labour Unions Returns Act.

With those very brief statements, I hope that this bill will now proceed to committee where we can have a very intelligent debate on the contents of it. I have indicated to members of the opposition that I am open and flexible in terms of amendments that they may wish to present so long as they fit within the bill and the intentions I would like to espouse. Having said that, I thank you, Mr. Speaker, and hon. members for their attention.

• (1600)

[*Translation*]

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

Some hon. Members: Agreed.

Mr. Lambert: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Insurance Companies

[*Translation*]

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT RESPECTING EXPENSES OF SUPERINTENDENT

Hon. Pierre Bussières (Minister of State (Finance)) moved that Bill C-66, to amend the Canadian and British Insurance Companies Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, this short bill is primarily intended to amend the Canadian and British Insurance Companies Act so as to clarify the power conferred upon the Superintendent of Insurance to incur certain expenses in exercising control of a company for its rehabilitation or in carrying out its winding up under the provisions of the Winding-up Act.

The provisions of the Canadian and British Insurance Companies Act prescribe that when a company is experiencing financial difficulties the Minister of Finance may give the Attorney General of Canada the responsibility of seeking from a superior court an order authorizing the Superintendent of Insurance to take control of the company for its rehabilitation or winding-up pursuant, as I just said, to the Winding-up Act. Section 113 of the act, which will be clarified by the bill which we are studying now, provides that when the superintendent takes control of a company for its rehabilitation or winding-up, the expenses incurred in exercising that control must be paid by some or all of the insurance companies registered under this act or under the Foreign Insurance Companies Act.

The payments made by the industry to cover the expenses thus incurred by the superintendent in managing the operations of a company for its rehabilitation or winding up will ensure that the assets of the company which is experiencing financial difficulties will be used solely to settle the claims of its policyholders.

The federally chartered Strathcona General Company, which had to face outstanding claims of roughly $39 million, had financial difficulties earlier this year. It will be remembered that the Supreme Court of Ontario ordered the superintendent to assume control of the company for its financial rehabilitation, and a project aimed at enabling the company to meet its obligations was drafted by a consortium representing certain sectors of the insurance industry and other interested parties. In order to see this project through, the consortium agreed to underwrite a bank loan so that the company would have enough funds for its cash requirements and thus be in a position to pay off its claims while it would attempt to recoup the money it had loaned out. It was agreed that the interest on that loan would be an integral part of the expenses incurred by the Superintendent of Insurance in exercising control of the company for its rehabilitation.

Payment by the superintendent of the interest on the money borrowed by the company and the subsequent sharing of these costs by the industry seemed to go much further than the spirit of the legislation, under which the superintendent is authorized to do all that is necessary to allow the company under its control to meet its commitments for rehabilitation purposes. At the present time, when winding up the company, the term all "the expenses incurred" is mentioned in the act. However, in spite of the intent of the law, the Department of Justice believes that the present wording of Section 113 is such that the payment of interest and other costs as well as the expenses shared by registered companies could be questioned.

The bill aims therefore at eliminating any doubt concerning the power of the Superintendent to pay, at the time of the rehabilitation or winding up of the company, the interests on loans obtained to meet the cash requirements of the company as well as the costs of terminating the leases or employment contracts or other similar expenses. The bill also amends Section 113 of the Act to establish clearly that when the expenses are incurred in respect of a company which transacted only the business of property and personal risk insurance, only premium income from this category of insurance shall be taken into account to be shared in by companies. Mr. Speaker, this is not a very thick bill. However, as you can see, it is of major importance. I have had discussions with representatives of both opposition parties, and it seems that we could refer the bill to the committee of the whole and then proceed to third reading. This is what I hope will happen, Mr. Speaker.

Mr. Deputy Speaker: The minister has suggested that the bill be referred to Committee of the Whole—

[*English*]

To proceed to the Committee of the Whole would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed by unanimous consent that following second reading this bill will be referred to Committee of the Whole.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I was wondering when the changes were to be made to the wording of the Order Paper regarding this particular bill. I am glad the minister has made the proposal and the House has accepted the suggestion that we go from second reading to the Committee of the Whole.

One might ask how on earth it is that at this stage of the session such a bill can have such priority, not only within the cabinet pecking order but within the pecking order of the House. This is a housekeeping bill required to clear up some doubt in the Department of Justice about what you and I would consider to be proper expenses in the liquidation of an insurance company, including interest costs on money borrowed by a consortium. Such a change is necessary in somebody's mind regarding this aspect of the ordinary liquidation of the assets of a company in order to pay off some creditors.

Sometimes one has to wonder about the thinking of the Department of Justice. This is the sort of bill which always gives me cause for doubt, just as I have doubts when a minister of the Crown says he has been advised by the legal officers of the Crown that certain bills or certain proposed steps are quite in order. Then I say yes, but what about things like Bill C-66? Little wee doubts are expressed for what you and I, Mr. Speaker, would agree are perfectly legitimate purposes. On reading the act we are mystified as to why the proposals were brought forward. Well, if the Department of Justice is wrong on this particular little wee peanut bill, how can they be right on major issues? This is precisely the type of situation we face.

• (1610)

The ultimate purpose of this bill, of course, is perfectly reasonable. There is no doubt in my mind that if an insurance company should get into trouble the superintendent has the power to organize a syndicate to liquidate the affairs of the company in order to save the creditors from unnecessary losses. He has the power to pay certain expenses which ultimately, if there is a deficiency of assets, are chargeable against the industry. There will in no way be a charge against the public purse.

However, what is he entitled to include in those expenses which the industry will ultimately have to pay? Naturally one would have thought that interest costs on funds borrowed by the consortium in order to keep the company going for a time so that it can be liquidated in an orderly fashion would be an appropriate expense. However, somebody raised a doubt about it so this is why we are into this sector.

The insurance company in question was in this local area and that may be what has prompted the government to get on with this bill and put it into this timetable. The shareholders or participants in this company are no different from anyone else. They merit no more consideration than anyone else. As a matter of fact, I think they were gullible to the point of being negligent. They thought they had a free ride to profit.

This company which went into liquidation was frankly nothing but a reinsurance broker. When they got into trouble and efforts were made to get the industry to bail them out, the industry said: "These people came out with ridiculous rates on ridiculous terms, they undercut us, and now you ask us to bail them out. Have you got a hole in your head?" And quite rightly so. I am absolutely astounded at some of the major reinsurance brokers in this country—and I will be charitable beyond all reason by not using their names—who placed large amounts of insurance with this company simply because the rates were low. They should have known better. It was an open secret in the industry that all Strathcona was doing was engaging in some frantic reinsurance, laying off, and just skimming through the commissions. That is all they were living on, the reinsurance commissions.

Well, on a couple of rather major claims that did arise the reinsurance people abroad simply told them to take a flying jump and to take their chances on legal proceedings. In other words, they simply said lump it. Of course, the game was over and that is all that has happened.

Now, that having been taken care of, the question is: which costs of cleaning up this mess can be properly charged against the assets? Ultimately the residual will be paid by the industry, and that is all we are dealing with this afternoon. There is not one cent of public money involved, otherwise I think we would have had a great deal more to say. However, I am in agreement that the public trustee should not be put in a position where he has to counter an opinion from the Department of Justice as to what expenses he can authorize in an orderly liquidation. It is not only a matter of interest costs, but it is the cost of liquidating any leases which might exist.

This points up one final factor. It may be that in this case, where not too many people are going to get hurt, certainly not the public, we and the superintendent should take a look at the requirements of those people filing a proposal for a licence as a federal insurance company. I think there has to be a tightening up here. We have to look at the industry. The insurance industry in this country is predominantly owned—even more so than some sectors of manufacturing or those involved in the exploitation of minerals—and operated by foreign interests. Canadian investors have been notorious in their reluctance to organize into responsible general insurance firms. There are over 300 companies involved in general insurance, a handful of which are Canadian. There is no way that the Government of Canada is going to say: look, we are going to institute statutory requirements that those people in the insurance business in Canada shall comply with, like the banks, newspapers and broadcasters; Canadianize by saying that no more than 25 per cent of any insurance company will be owned by foreign interests.

• (1620)

There is no market. No Canadians are willing to buy. That is the state of the market. There is no money around. I do not care what political party wants to espouse Canadianization, there is nothing in the law which will force investors to buy interests from foreign insurance companies under any circumstances.

The answer is not public ownership. God help us if we fall into that trap. There is no way that either the federal government or the provinces can become successfully involved in the general insurance business. Those attempts at becoming involved in the general insurance business are now a disaster as far as policyholders are concerned.

Mr. Rae: Name one.

Mr. Lambert: In Saskatchewan it was a disaster. In Manitoba it was a shocking performance. British Columbia has had to go to the rescue with public funds. It is a shocking area.

Are Canadians prepared to go into the general insurance field? Do they have the expertise? A lot of people seem to think that all one must do is start an insurance company and out of some sort of God-sent manna inspiration will descend so that it becomes successful. There are such things as the market

with regard to insurance. The insurance market of the world was built upon the degree of confidence in solvency in the industry as a whole.

For example, with a claim resulting from the loss of a major airline company, we could be talking in terms of $50 million to $60 million. The industry has been organized over the years. Its experience goes back over centuries, but we are just a peanut, skimming the surface. We must organize our affairs so that there will be confidence in the solvency of insurance companies. This will benefit the question of rates. A cut-rate operation operating in the free market always comes a cropper. Government insurance schemes operating on cut rates always come a cropper, or there are losses about which they do not talk that must be fed back into the hopper. Who pays for them?

I suppose the young driver of a really powerful car, who is the biggest risk on the market, thinks it is great to obtain cut-rate fees. He does not worry about the millions which must be fed into the deficits of insurance companies such as the Saskatchewan Insurance Corporation, the Manitoba insurance system and the British Columbia insurance system which have had the misfortune of becoming involved in public insurance. If the millions are not fed into these deficits, we have to absorb greater losses. There is no magical money tree in the whole business despite what some people think. Losses are always at the expense of someone else.

We have run into a situation where there is a mess. It is being tidied up. Someone has to take care of the expenses. The industry will take care of all the expenses, and we have to tidy up the legislation. I am quite prepared to see this bill go through expeditiously. Hopefully we will get it cleaned up with a minimum of further discussion.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, like the hon. member for Edmonton West (Mr. Lambert), I am somewhat surprised the government chose to take up time, as we are approaching the end of a session, to bring in this type of legislation. That is not to say that we are opposed to it in any way. It would be very difficult for us to be opposed to legislation as innocuous as this. Its purposes and intent have been well summarized by the minister and by the hon. member for Edmonton West.

As the minister pointed out, the main purpose of the bill is to remove any doubt about the ability of the superintendent to pay and assess against the industry, in the event of the rehabilitation or winding up of a company, interest costs incurred in borrowing to meet a company's requirement for liquid funds and costs involved in terminating employment contracts and property leases.

I cannot resist taking this opportunity to follow up on what was said by the hon. member for Edmonton West about the collapse and the difficulties of the Strathcona Insurance Company which prompted this bill—how it is that we allowed this to happen. Also I cannot resist pointing to another group of companies which are subject to the general supervision of the Superintendent of Insurance. I am not directing any personal criticism at the superintendent himself; he is a public servant of distinction and perseverance. But I say simply to the minister that we need a clearer understanding of how it is that a company such as this was allowed to conduct its affairs in the manner described accurately by the hon. member for Edmonton West for such a period of time and was not dealt with by those responsible for the supervision of the act.

Mr. Lambert: They were.

Mr. Rae: I hear the hon. member for Edmonton West. This is true, just as Astra Trust and Re-Mor eventually were. The key is when, how and how long does it take, and how many people must buy insurance from the Strathcona Insurance Company while its activities are being supervised by the government before those people finally receive protection? In the case of Re-Mor National Trust—the facts have emerged, yet they have really never been recognized by the minister. In the case of Astra Trust there was a lack of information, which in my view was caused by the fact that, although the Superintendent was carrying out his responsibilities as he saw them according to the act, there were activities which were being conducted with respect to the establishment of Re-Mor, for example, which went for over a year without the federal government even being aware of the existence of a provincially incorporated company whose activities were directly linked to the Astra Trust federally incorporated company.

● (1630)

I say to the minister that rather than seeing this kind of housekeeping measure, which is necessary to provide for a very minor clarification of the law with respect to this problem, I would much prefer to have seen a number of measures.

First, I would have liked to see a willingness on the part of the government to establish an inquiry into the circumstances surrounding the granting of a licence, the operation and collapse of Astra Trust and the related company of Re-Mor. It simply is not good enough for the minister to say, as he has said on a number of occasions, that the opposition does not know what it is talking about, that we want to go on a fishing trip or that there are criminal charges which have been laid with respect to some of the principals in the company and, therefore, we have to let that criminal trial go ahead.

The reason that is not good enough is that I do not want to go on any kind of a fishing trip. I really believe that before we can effectively change either the insurance legislation or the legislation pertaining to trust companies, we must know what it is that went wrong in the supervision of Astra and Re-Mor so that we can make sure that kind of problem does not happen again. We hoped to have this legislation in this session, but we have not yet had it. Then we hoped to have it in the next session, but I am sure the minister will indicate today that we will have it manana.

In the case of this particular problem with respect to Strathcona, it would be very useful for us to know how this situation was allowed to happen and what the consequences have been for the policyholders, mainly in the province of

Quebec. I think there is a tremendous tendency, which is quite natural on the part of any group of individuals who are responsible for the administration of something which has gone wrong, to say, "We did all we could in the circumstances; there is nothing more we can do. We admit no responsibility for what has gone wrong."

In addition to the need for an inquiry into what happened, there is a need, in my view, for a clarification of exactly what the responsibility is of the Superintendent of Insurance and of the government. The superintendent is there as a representative of the public when something has gone wrong. Obviously this is a question which will be settled by the courts.

The minister of consumer and commercial relations indicated at Queen's Park yesterday that the activities of Re-Mor were directly and intricately linked with the activities of Astra, that Astra was serving as a front for Re-Mor and vice-versa. In those circumstances the question we must ask ourselves is: What is the meaning of the federal licence? What is the consequence of the granting of a federal licence and what is the responsibility of the government to those individuals who rely on the granting of a federal licence? The minister has consistently answered the question by saying that it is a provincial responsibility when it comes to Re-Mor. I do not accept that answer. I do not think the court will accept that answer either. Time alone will tell.

With respect to those investors who put more than $20,000 into Astra, that is a question which strikes directly at the heart of the federal obligation. It involves the question whether there is a responsibility on the part of the federal government, when it grants a licence and when it supervises the licence, to see that individuals are not taken in by the mere granting of a licence but that the licence itself has some meaning, in addition to the simple principle of an individual being insured up to $20,000.

Does this mean that, no matter what the government knows and no matter what information it has with respect to the conduct of those companies, it has no additional responsibilities and its only responsibility is the $20,000 liability? Or, in the instance of the insurance companies act, which is what we are dealing with, are we saying that the liability of either the industry or the government with respect to the activities of the Superintendent of Insurance is strictly limited to what is specifically set out in the statute? Or are we saying, is there not some additional obligation on the part of the federal government to inform investors, potential savers and policy holders, if there are some questions in their minds or if they have some information which has come to them with respect to the companies involved?

I say to the minister that were the members of the Liberal party from Ontario in this House as concerned as their counterparts in Queen's Park, we would have some answers to these questions. In the province of Ontario we really have a one party state. We have the natural governing party, the Tory party, and we have the same party federally, the Liberal party. It just goes by a different name. We are suffering.

I see the minister shaking his head. This is absolutely true. I have correspondence in my office from people all over southern Ontario in their seventies and eighties who have lost thousands of dollars, and in some cases tens of thousands of dollars, their life savings, because of what has happened to Re-Mor and Astra Trust. They have not received a single answer to any of their questions from either their federal or provincial government. If Liberal party members in this House from the province of Ontario were prepared to be as vigilant in this House as those in Queen's Park, we would have some answers, because the minister would have to provide those answers.

• (1640)

There are several questions. How is it that this company was allowed to get a licence when there were so many questions posed over five years about the characters, the abilities and the qualifications of the principals involved in that company? There was a pattern of political interference, both at the provincial and at the federal level, from both provincial and federal politicians, which was referred to in the report of the standing committee on justice in the provincial legislature when there was a minority government in Queen's Park. How is it that the questions about that have simply been brushed aside by the minister?

How is it that as soon as the company Astra Trust was incorporated, it was allowed to engage in investments which were contrary to the Trust Companies Act, which were contrary to the Ontario securities act, and which were known to the Superintendent of Insurance?

I wrote to the minister concerning the breaches of the Ontario securities act. When my letter was answered by the Superintendent of Insurance, I asked him, "When you knew there were breaches of the Ontario securities act, why did you not do anything about them?" He said, "We are not responsible for breaches of provincial legislation". I have that answer in a letter from the Superintendent of Insurance replying to a letter which I wrote to the minister. I am telling the minister that that answer is not satisfactory. In this realm of trust companies and in the whole financial field, there is something very wrong indeed if the answer of someone who is responsible for the administration of the federal government is simply, "It is in someone else's ballpark; we are not responsible for that".

One would like to know, and one would have to have an inquiry to know—and there needs to be an inquiry to know—what communication there was between the Superintendent of Insurance and the Ontario Securities Commission. When they wanted that information at Queen's Park, when they had the select committee on justice meeting, the minister said, "No, we are not going to allow the Superintendent of Insurance to even appear before that committee." There has been one meeting of the finance committee in which we had an opportunity to question the Superintendent of Insurance. That was not any kind of an investigation. Indeed, I am not particularly keen on the idea of having partisan politicians engaged in a cross-examination of the people who are involved in a search for evidence. I am not interested in that. However, I am interested

in knowing that a judge will be asking those questions and will be looking at those documents. He will be asking the question of the Superintendent of Insurance, "What were your contacts with the provincial authorities and with the Ontario Securities Commission?"

That is not a witch hunt and it is not looking for unfounded allegations. That is looking for some very specific answers to some very specific questions. I say to the minister that if there were, indeed, no contacts, and if, indeed, it was over a year before the Superintendent of Insurance was aware of the existence of Re-Mor, the provincially incorporated company, the question is, "What is wrong with our method of supervision that this was allowed to happen?" That is not a witch hunt question. That is a very specific question which has nothing to do with whether or not Mr. Carlo Montemurro was or was not a crook. Whether Mr. Montemurro was a crook, or whether the people associated with him were crooks, is a question which will be settled in the criminal courts of this country.

However, whether there was something wrong in the way in which the Government of Canada supervised the conduct of these companies is not a question of criminal activities on the part of people who are associated with the companies. That is a very separate question. Individuals who have been involved, who have invested, who have tried to save, and who have taken a risk have done so because they assumed there was a guarantee of some kind, even if they were not exactly sure what the nature of that guarantee was. The question of what is the responsibility of the governments of Canada and Ontario to these people is not, I would respectfully submit to the minister, a question of the individual taking the government to court, because that would be a very expensive, lengthy, protracted and difficult proposition for a number of people who do not have a lot of money. It is not a question of the private obligation between the Government of Canada and Mr. "X" or Mrs. "Y", whoever the investors happen to be. It is not a question of a purely private obligation. It is a question of the public obligation of the government with respect to the supervision of companies for which it has responsibility, for the bona fides of which it is making some kind of claim in the sense that it is granting them a licence and that licence has some kind of a meaning.

Because it is a question of public obligation, I am disturbed that the minister has gone back on the commitment he made to the committee that the government would publish and abide by the report of a group of lawyers who were trying to arbitrate this question of the responsibilities of the governments of Ontario and Canada with respect to investors in Re-Mor and Astra Trust. I say the minister has gone back because there was a very real difference between the answer which he gave me at the end of the hearing in the committee, which he will recall, and the answer which he gave me in the House some two weeks ago, when he simply went back to the old argument of the government instead of the strict legal argument which, in my view, will not eventually hold much water. The strict legal argument is, "It is not our responsibility; we are not responsible for Re-Mor; Re-Mor and Astra Trust are two separate companies, and we are not going to do anything for people other than the $20,000 responsibility which we paid and accepted because of the insurance provisions".

I say to the minister that the answer which he gave in the House is, in my view, going to prove wrong when it comes to the end of the day. However, more important than that, there is no reason why the people who have suffered as the result of the collapse of these companies should have to wait that long, should have to pay that much money in legal fees, and have to suffer that long before the government recognizes that it has some obligation to them.

I do not pretend to have all the answers to the questions I have raised. I have tried to make the questions, which I have raised at some length with the minister in letters to him, as specific as possible. Frankly, I am not concerned with any kind of witch hunt with respect to the activities of anyone who is responsible for the supervision of these companies. I am concerned with two very basic questions. How is it that a licence was granted and that the company was allowed to conduct itself for so long when the government knew that something was wrong? Second, why will the government not recognize that it has a responsibility to those people who have put their faith in the seal of approval, which is what a federal charter means? I say to the government that there are profound reasons in our political culture why these questions are not resolved. They have to do with the fact that we live in two one-party states in this province, the one-party state of Canada where we have perpetual government and a perpetual Prime Minister (Mr. Trudeau), and the one-party state of Ontario where we have the same problem. That is the reason these questions are not raised.

• (1650)

Despite that, this amendment is a minor one. We want to know why Strathcona was allowed to operate in this instance, what actual damages have been suffered by some people and how they are being compensated. These are questions which will not be resolved by this housekeeping legislation.

Rather than seeing a bill like this one brought forward at the present time, I think it would make more sense for the government to say that something is wrong. This is the first time we have seen the collapse of a federally-incorporated trust company since the depression. Why did it happen? The criminal charges have been laid; but the question of how this could have been allowed to go on for so long, whether the government could have done something about it and whether the government will need extra power where it suspects such things are going on, are questions that will not be resolved by a criminal trial. They will not even be resolved by a civil trial between the government and individuals who seek compensation. Such questions can only be settled by a judicial inquiry. That is the only way we will find out how a licence came to be granted and what the relationship or communication was between the federal and provincial governments. I think the

public ought to know the answers to these questions and that the minister ought to know them as well. I say to the minister, with great respect, that answers have not been forthcoming about the collapse of this company, and in my view they should be.

I will have some specific questions for the minister when the bill is in Committee of the Whole about the activities of Strathcona and the activities of the superintendent with respect to Strathcona. This party is concerned about the principles of superintending and supervision, and about the principles of insurance as they relate to the liability of investors and policyholders who put faith in the idea that the government was supervising and superintending the matter. These more fundamental problems lie behind my remarks today and I hope the minister will take them in that context.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale-High Park (Mr. Flis)—Canadian Broadcasting Corporation—Proposal to construct production centre in Toronto; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Housing—(a) Measures to help home owners facing increased mortgage payments (b) Support for co-op projects (c) Banks' profits on property tax component of mortgage payments; the hon. member for Halifax West (Mr. Crosby)—Marine Transport—Withdrawal of Dart Containerline Service from Halifax—Date of announcement.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT RESPECTING EXPENSES OF SUPERINTENDENT

The House resumed consideration of the motion of Mr. Bussières that Bill C-66, to amend the Canadian and British Insurance Companies Act, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and, with unanimous consent, the House went into committee thereon—Mr. Ethier in the chair.

On Clause 1—

[*English*]

Mr. Rae: Mr. Speaker, I indicated to the minister that I had some questions for him with respect to the collapse of Strathcona. We had an account of why Strathcona was allowed to fall upon hard times. I wonder if the minister could indicate if he will be giving the House an explanation of how the company came to fail and what the consequences of the failure have been for policyholders. Could he also tell us whether claims are outstanding and have not been met as a result of the collapse of Strathcona, and how it is that the company was allowed to arrive at this state of affairs?

[*Translation*]

Mr. Bussières: Mr. Chairman, I will answer the first question as to whether the people who were insured will sustain losses as a result of the decision made by the office of the Superintendent of Insurance to proceed with the financial rehabilitation of the Strathcona Insurance Company. With the assistance of a consortium, no individual, no group or no corporation that was insured will sustain losses on amounts owed to them for risks covered by Strathcona.

As to the background of corporate difficulties, which is a much broader question raised by the hon. member, may I say that in 1979 the auditors from the office of the Superintendent of Insurance became aware that the company was beginning to sail on rough seas. From that moment on and on a regular basis, the superintendent's office would dispatch its auditors to make sure that the company would be taking corrective action. Company management did make some commitments but, unfortunately, they were not respected. When those facts came to light in January, 1980, the superintendent submitted a report to the minister who decided to renew the company permit for a limited time, that is until March 31, 1980, advising company management that they had to meet the requirements set for them by the Department of Insurance.

● (1700)

In May, 1980, a new president of the company was appointed and several changes were made, but as the problems of the company were known on the market, it could not attract enough new customers to ensure more receipts and thus improve its financial position. In short, Mr. Speaker, that is what happened.

I think there are two major factors which were raised by the hon. member for Edmonton West (Mr. Lambert). First, there is a basic defect at the management level which must be directly related to the rate fixing policy of the company. Secondly, there is a blatant lack of will to restore quickly the financial position of the company. However, under the plan proposed by the superintendent to rehabilitate the corporation

with the assistance of a consortium, as I indicated in my first answer to the question, no policyholder will lose money as a result of the problems experienced by the company. I must also say that the reinsurance of the company with some foreign companies has also contributed to its financial problems. I have asked the Superintendent of Insurance to look fully into the manner in which insurance companies operating in Canada provide reinsurance and to suggest how the existing legislation might be improved so that insurance companies operating in Canada and dealing with foreign reinsurance companies would have firm guarantees with respect to the quality, solvency and soundness of these reinsurance companies.

Mr. Rae: Could the minister tell the House when we may expect the report of the Superintendent of Insurance on this reinsurance issue and when we will know the government's intentions with respect to the possible introduction of further amendments to the Canadian and Foreign Insurance Companies Act?

Mr. Bussières: Mr. Speaker, as soon as I have the superintendent's formal recommendations, I shall submit them to my cabinet colleagues and then advise the House. Unfortunately, I cannot give the hon. member any specific time frame, but I certainly hope it will be as soon as possible.

Mr. Rae: Mr. Speaker, since the minister is in the House, could he also tell us when the government intends to introduce the bill on trust companies?

Mr. Bussières: As soon as possible, Mr. Speaker.

Clause 1 agreed to.

Title agreed to.

Progress reported, bill read the third time and passed.

Mr. Bussières: Mr. Speaker, I rise on a point of order. I do not know under which rule I should do so. I simply want to thank the spokesmen of both opposition parties for their co-operation and also all members for dealing expediously with Bill C-66.

* * *

[*English*]

STATE IMMUNITY ACT

IMMUNITY OF FOREIGN STATES IN CANADIAN COURTS

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development) moved that Bill S-19, to provide for state immunity in Canadian courts, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, this is a bill for the clarification of the law and the better protection of Canadians and others who may find some day that they have a claim in Canada against a foreign government. The problems this bill is designed to resolve are that, at best, the present state of the law is quite uncertain concerning the legal responsibility of foreign states in Canadian courts, and, at worst, the law may be too protective of foreign governments and cause injustice to people in this country who suffer injuries or loss at the hands of foreign states operating in Canada.

What has developed in Canada is a tradition going back almost to the divine right of kings. The monarch was too dignified to be sued. This followed into the state and the state in relation to other states. This has changed significantly. What has happened in Canada is that the provinces and the federal government have made themselves subject to court action, like the ordinary citizen. Second, governments are deeply involved in commercial activity by their agents all around the world.

The growth and penetration of commercial activities carried on in Canada today by agencies of foreign governments makes it increasingly important that we have a law on this subject which is clear and fair to all. What happened historically with our important trading partners, for instance the United States, is that in 1952 the United States took this absolute immunity right and changed it by informal agreements in informal meetings. In 1974, the United States passed a foreign sovereign immunities act. In 1972, the Council of Europe adopted a convention codifying restrictive immunity. In 1978, Great Britain, a signatory to that convention, followed suit by passing the state immunity act of 1978.

Because we do not have any law, what has happened in Canada is that quite a bit of confusion exists in the minds of the public and in the minds of the courts. For example, in the *Democratic Republic of Congo v. Venne,* (1971) Supreme Court Reports, at page 997, the Supreme Court of Canada confirmed the absolute immunity of states. Then the appellate court of Quebec did not follow this ruling in *Zodiak International Products Inc. v. Poland,* 81 Dominion Law Reports, Third Edition, at page 656.

• (1710)

We would like to make it clear to the public, the average Canadian, who is dealing with a foreign country or its agents what to expect in the end regarding the collection of debts or the type of actions that can be pursued.

Bill S-19 was discussed in the other place. Witnesses were called, the provincial attorneys general were canvassed and their opinions were sought. I do not want to go into every clause of the bill but I would like to make some references.

In clause 2, "commercial activity" has led to some discussion. There is the English example which defines commercial activity in great detail. This has led to certain problems because of the large amount of detail. The English courts from our observations have tended almost to disregard their definition, which was too broad. The Americans, on the other hand, have a narrow definition of commercial activity, leaving it up

to their courts to decide what is and what is not commercial activity. We have adopted the American example in our proposed bill and will leave it up to the courts to decide what is commercial activity.

In general terms, there is to be no immunity of foreign states operating in Canada from any proceeding relating to any commercial activity of the foreign state, clause 5; any proceedings relating to death, personal injury, damage to or loss of property caused in Canada by a foreign state, clause 6; actions concerning ships or cargo involved in commercial activity, clause 7; actions concerning property received by a foreign state through succession, gift, etc.; clause 8; proceedings for injunctions, specific performance, etc.; against separate agencies, no matter whether the agency is engaged in commercial activity or not, clause 10(3); execution against a separate agency, clause 11(2); other than when military property is involved, clause 11(3).

A procedure for the service of documents is set out. It is hoped that we do not run into examples such as *Corriveau v. Cuba* which involved damage to the Cuban embassy. There was a landlord and tenant relationship; there was a default and judgment was obtained. Another example is *Edwards v. U.S.S.R.* which involved the seizure of a Soviet vessel. There was a great deal of confusion on the part of the litigants as to what rights did or did not exist.

In conclusion, I am sure my friends across the way will have a great deal to say about the merits of the bill. It is hoped that by following the example of European conventions, Great Britain and the United States, we in Canada will be able to codify basically protection for the average citizen when dealing with a foreign nation. In the 1980s we do not think that the theory of the divine right of kings or the presumption of infallibility of the state should be followed. What we have in Canada is a collection of individuals from abroad who are operating in this country in order to earn profit. They should have no greater or lesser rights than the citizens of Canada in their dealings.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise to speak on this momentous bill in this full chamber with some trepidation—

Mr. Knowles: After great study.

Mr. Hnatyshyn: —after great study and consideration of the provisions of this bill. I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) will agree with me in this connection. This place astounds me and mystifies me at the same time.

Just a few days ago the government in full dirge went ahead with its motion of closure with respect to Bill C-57. One would have thought that the economic future of Canada depended upon moving on with economic bills, that if Bill C-57 with respect to excise tax did not pass, the economy would stop and the country would stop in its tracks. Therefore we had an emotional, heated debate at that time as to whether closure should be invoked. Some felt it was an important matter and that the economy should be discussed in this House in the last few days before the summer recess.

As soon as the closure motion passed, the first items of business the government brought forward were such outstanding bills as the so-called CALURA bill, the bill dealing with the Canadian and British Insurance Companies and now a bill dealing with diplomatic immunity. I wonder aloud as to where the great urgency was on the part of the government with respect to rushing through and curtailing debate on an important economic bill, one that affects the lives of virtually every Canadian. The government cleared the decks so that we can spend two or three days talking about the question of diplomatic immunity, as important as that is.

I appreciate very much the learned dissertation of the parliamentary secretary as to the content and purpose of the bill. However, people might get the impression from the comments made by the distinguished parliamentary secretary that somehow this bill is going to codify and advance the rights of litigants and citizens of Canada with respect to being able to enforce judgments against foreign powers and representatives of foreign countries in Canada.

While I have to admit I agree with the parliamentary secretary that the bill does go a long way in codifying the present law, there are still some very serious questions with respect to how the bill will be interpreted in the courts, and the extent to which the rights of Canadians to sue, receive judgment and realize on that judgment against foreign states or their agencies will be advanced by the provisions of this bill.

One might get the impression from the title of this bill that it extends the right of diplomatic immunity while operating in Canada. Quite the contrary; it is an attempt to codify and set forth in statutory form the provisions, rights and limitations on diplomatic immunity, the rights of foreign countries to carry on so-called commercial activities in our country and the extent to which they are going to be held responsible with respect to contracts, tort liability or damages to Canadian citizens in the course of carrying on their commercial activities. There is an attempt here to specify the limitations which are placed on foreign countries represented in Canada and their agents.

The parliamentary secretary made reference to a number of cases, some of which received a lot of attention in the press. Because Canadian citizens were pursuing their claims in the courts, there was some interest in how the courts would interpret the right of the litigant to bring the action and the right of the successful plaintiff to realize on the judgment received in the Canadian courts against the property of a foreign country.

I can understand the interest of the government to bring forward this kind of legislation. There is a manifestation around the world of a greater growth of so-called centrally controlled economies where the state is involved directly in trading and business opportunities not only within their own borders but in other countries.

• (1720)

The question arises by virtue of the fact that they are foreign governments and why should the immunity which is

afforded diplomatic representatives in Canada be extended to those people involved in commercial activities in this country. I think any rational person and people involved from other countries fully understand that if they are involved in commercial activities they should operate according to the rules of the place in which the business is carried on. That is understood in commercial terms and I think it is understood in diplomatic terms.

Having looked at this bill from that point of view, I think it deals with the whole question of establishing, codifying or declaring that Canadian citizens do have the right to bring an action against foreign governments or their agencies carrying on commercial activity.

The next step, of course, will be to look at the question whether a judgment can be executed once a Canadian citizen plaintiff does obtain a judgment in Canada against a foreign state. The parliamentary secretary will understand that it is one thing to get a judgment but quite another altogether to collect as a result of that judgment against any litigant, let alone a foreign state.

There are other questions which arise regarding this particular bill. I do not propose to spend a lot of time discussing the bill itself at this stage, but it is our view that this bill should be referred to the Standing Committee on Justice and Legal Affairs for at least one sitting in order to obtain answers to some more or less legalistic questions that arise about things that have occurred, to me at least, and will occur I am sure to members of that committee, regarding its operation, even though the matter has been discussed before the Senate committee which has had the opportunity of doing quite a bit of work on it, obtaining some very excellent evidence by departmental officials, Mr. Strayer, and Professor Castel of Osgoode Hall of the University of Toronto.

In any event, I want to deal briefly with some aspects of the bill and raise a couple of questions which might be dealt with at the committee. I want to make absolutely certain that in passing this legislation we are getting ourselves in the best possible situation as far as Canadian citizens are concerned to realize on judgments, and that is the area I would like to have investigated by the committee.

Secondly, in passing this legislation I want to be satisfied that the whole matter of constitutional propriety is being observed and we are not getting ourselves into a hornet's nest with regard to jurisdictional questions when we ask the courts to set certain guidelines and rules in relation to the service process against foreign states. I will deal with those matters briefly in the course of my remarks in a few minutes.

In terms of this particular legislation, the principle underlying this bill is one of trade-off. Certainly Canadians want a right of action and also the ability to execute judgments against commercial activity carried on by foreign states. We all appreciate and fully understand and support the concept referred to by the parliamentary secretary, that is the pragmatic necessity, quite apart from the divine rule of kings and all those other historical considerations referred to in his introductory remarks, of foreign states having immunity for diplomatic representatives carrying out their duties in a foreign country. I do not think there is any question about that. The question is whether these interests can be balanced in legislation.

As I understand it, the current situation is that where there is a dispute or a matter that may lead to litigation, our external affairs department very often steps in and uses that very good office to mediate or negotiate between a foreign state and the litigant in Canada. Officials spend a lot of time very effectively in settling a good number of cases between litigants and foreign states carrying on commercial activities. This is an ongoing process and I understand from the record they have done very well in this regard.

Now we are to have a stature that will attempt to state or clarify better the situation with regard to the rights of litigants in this country. Reference has been made by the parliamentary secretary to the fact that this is a codification of the present law. I think it fair to say that the courts in Canada, particularly in Quebec and Ontario, have been moving through the process of judicial precedent toward the application of the concept of limited immunity in commercial activities. They have in fact applied in their judgments the restrictive theory, granting immunity only to the degree necessary for the free conduct of international relations by a foreign state. The matter has not really come as such before the Supreme Court of Canada, except indirectly, so there has not been a specific judgment on the law as it now stands by this high court of the land. That court is probably preoccupied with other things these days. There are a couple of items before it which I am sure are occupying some time.

The fact of the matter is that in the case of *Venne v. The Democratic Republic of Congo,* Chief Justice Laskin in his judgment indicated approval of the concept of limited or restricted immunity. It becomes clear to me from that particular judgment that Chief Justice Laskin would be inclined to approve of the state of the law and the judgments which have been brought forward in the lower courts that in fact recognize restricted immunity.

The aim of the bill is to establish a statutory guide for the courts in relation to actions against foreign states brought before them. If one looks at the impact of this particular legislation, one could say that conceivably there will be an expansion of jurisdiction in the courts as the bill does in fact clearly state that there is declared henceforth, on the passage of the bill, a restriction on a foreign state's immunity.

As I mentioned before, one of the results of this bill will be that the rules of the courts of the provinces will have to be modified to reflect the procedural provisions of the act. I simply raise this point because I would like to get some clarification from departmental officials, the minister or his parliamentary secretary on that aspect.

There may be a constitutional problem involved regarding the provisions of the bill in relation to service, deemed service and so on, which heretofore have been matters regarding provincial rules of court across the country. I know the evidence is that the Minister of Justice (Mr. Chrétien) did in fact

communicate with the attorneys general across Canada and received no particular objection to the legislation. On the other hand, he received no response from some provinces. It seems to me we should be clear in our own minds before passing this legislation that we are not going to get into a mixed up situation in provincial jurisdiction on the procedural side of the bill.

The other aspect I just want to canvass a little more thoroughly in committee deals with the definition of "commercial activity". I understand the evidence which was given and the reasons for the provisions of the bill relating to commercial activity and the definition of that term.

• (1730)

As the parliamentary secretary has pointed out, commercial activity is not defined in any particularized way in the legislation. Basically, as it says in the act, it is any transaction or act that by reason of its nature is commercial activity. In other words, commercial activity is commercial activity. So it is going to be left to the courts on a case by case consideration of the individual circumstances to develop the jurisprudence and a definition of commercial activity in that way.

The parliamentary secretary has made reference to the fact that this is based on the U.S. approach as opposed to that of the United Kingdom. The United Kingdom statute is the State Immunity Act of 1978, statutes of the United Kingdom of 1978, chapter 33. There the British have tried to set out certain—

Mr. Irwin: What chapter?

Mr. Hnatyshyn: Chapter 33. I am surprised at the parliamentary secretary; he is usually prepared for these things. I was sure he had read that statute from cover to cover.

Mr. Irwin: I notice you did not have the right page on that Supreme Court decision.

Mr. Hnatyshyn: Well, it is just that out west we get it a little late and as a result the pages are different. In Sault Ste. Marie, where they have up to date law libraries, I know he would have the current volume.

In any event, the approach taken by the British is to set out certain examples of commercial conduct. The evidence given by Professor Castel, an acknowledged expert in this area, before the Senate committee was that he preferred this approach as far as possible to give some definition or guidance to the people concerned. It is in effect a codification. If we are going to codify the law relating to the rights of litigants in Canada, then I suppose we should try to give them something to hang their hats on so they will know whether or not they are going to court, or whether they are taking a flyer in having to establish a cause of action, and will look at this statute and wonder of what assistance it is to them because it really does not tell them whether they are in or out of court.

Again, I understand the rationale; it is the traditional common law approach to the courts. Probably the most appropriate way to deal with this question is to allow the courts to look at it on a case by case basis to establish the principle that there is a right to bring an action, but I would like to canvass that a little more with departmental officials to find out whether or not we can look at a definition which is of more assistance to the citizen than this now is.

Professor Castel also suggested, as I recall, that non-governmental activities might be included in the definition of commercial activity. Personally I am not sure I am totally in favour of that limited amendment to the present definition. I want to discuss it with the officials because I can see that a government such as we have in Ottawa today, which is so enthusiastic about bringing this bill forward and having it pass through all stages before Parliament adjourns, is itself moving more and more toward a centrally controlled economy. Its philosophical bent is now in accord with that kind of philosophy in other countries. So they are very interested in establishing a reasonable precedent in case other countries reciprocate.

I want now to turn to the question of execution, because this is the one area which causes me the most concern. There are some aspects of this bill which may well have some basis in pragmatic consideration, as I said, or legal justification as to why the bill contains certain exclusions with respect to its operation. However, as Professor Castel said in the course of his testimony, one of the most important things that can be done under this bill is to define how a Canadian citizen can go about getting paid. He said the bill should try to clarify the right of a citizen to relief, a right to which he is entitled. It is one thing, as I said at the outset, to specify that a citizen has a right to bring an action and obtain a judgment, but that is only part of the whole process. The really important question is: once you have judgment, can you collect? That is where I think the bill requires further consideration.

By way of example let me refer to the discussions about collecting rent for embassy premises. Ottawa landlords will all perk up their ears at that suggestion. There are only two people watching this particular debate right now; the representative of the embassy landlords association, and the Ottawa chief of police who is wondering whether there is anything in this bill which will allow him to collect all the parking tickets they have been unable to collect because of diplomatic immunity. The parliamentary secretary is watching too—I should not count him out.

In a situation where embassy premises are damaged, the question arises as to whether or not the Canadian landlord can collect. Certainly he has a cause of action, but under the provisions of clause 11 unless the property is used for commercial purposes, it is exempt from execution of judgment. As a result, we are really no further ahead.

There are other examples. Clause 10, I believe, specifically deals with the remedies one has against a foreign state. It does not include specific performance, injunctions or an order for the recovery of land unless the foreign state consents. What I would like to find out is the basis for those exemptions, even in so far as they apply to an agency clearly involved in a commercial activity in Canada. One of the interim items of

relief in a court of action often resorted to is an injunction to prevent the defendant from removing assets which are the subject of litigation out of the jurisdiction, or to prevent him from taking any steps with respect to the item under dispute. Apparently this relief will not be available. There may be a reason for it, but I would be interested in hearing departmental officials tell me why an interim injuction at least should not be available in the course of an action relating to property not otherwise available for execution of a judgment. As I say, these are legalistic and technical problems which cause me concern with respect to this legislation.

I have no particular objection to the idea of codifying the law if it makes it easier for average citizens to understand and pursue their rights, because I am in favour of the concept of restricted immunity and the enhancement of the rights of Canadians with respect to foreign commercial activities in Canada. What I want to ensure, however, is that we get the best possible bill because, to a certain extent, we are entering into unchartered waters with this legislation and we are speculating on its effect. As has been pointed out in the other place, it will be quite interesting to see whether this legislation will bring us any further ahead than we are now.

I raise these points because I know the departmental officials are listening to this debate and will be prepared to give me answers to the questions raised. The reason I raise them in the course of the second reading debate is to expedite proceedings in committee.

● (1740)

Clause 3(2) of the bill calls upon the court to give effect to the immunity conferred on a foreign state. In other words, it must established that the defendant in the action is in fact a foreign state. The bill does not specify who has the burden of proof, whether it is the state or the plaintiff. Possibly there might be some clarification with respect to who should bear the onus in that regard. It is possible to obtain a certificate from the Department of External Affairs which can be taken as proof of the fact that a defendant is a foreign state. It would be very simple to amend this particular provision to make clear how this matter will be established in any litigation.

These are some of my technical or legalistic considerations regarding this particular bill. Obviously the government considers it more important to get this bill through than to help Canadians who are facing usurious interest rates or to help pensioners or people on fixed incomes. It seems to me that the priorities of the government in this regard are badly placed. But I am glad for the opportunity to remind the government that it has a responsibility to govern the country, not to fool around with technical bills and codify existing laws, as important as they may be to a limited number of people. On the other hand, I assure the parliamentary secretary that I want him to deal with these specific legalistic questions. Hopefully we will get this matter through expeditiously.

I see the hon. member for Winnipeg North Centre (Mr. Knowles) is champing at the bit. He has worked on the bill from early morning until late at night in order to get himself ready and psyched up for this debate. Now that I have laid the groundwork, I will return to my seat and let the hon. member for Winnipeg North Centre carry on with the debate and bring the government to its knees for its entirely useless behaviour.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have had some interesting introductions in my day, but that one deserves a prize or a medal of some kind. I have not quite decided what the nature of the medal will be.

As hon. members must realize, there are others in my party who are more versed in this subject. In fact the hon. member for Burnaby (Mr. Robinson) is the one to whom we assigned consideration of this bill. He is the one who worked from early morning until late at night to be fully conversant with it. But apparently the meeting this afternoon of the Standing Committee on Justice and Legal Affairs has lasted longer than he thought it might. He informed me that he was busy in that committee trying to improve the government's freedom of information legislation and that unless he succeeded in that, he might not be able to get here this afternoon. Therefore it falls to me to speak on behalf of my party, and I do so without any dissension whatsoever.

Before starting my substantial remarks on the bill itself, I must say that I agreed with the hon. member for Saskatoon West (Mr. Hnatsyhyn) when he said that the list of priorities around here is somewhat astonishing. We spent most of this session on a certain subject which does not need to be mentioned because everyone knows what it was. It was the reason we could not deal with economic measures. When that issue was finally sent to the Supreme Court of Canada and we had some time to deal with economic measures, lo and behold we had before us an excise tax bill, Bill C-57. It did not seem to do much for the economy, but we had it and it took up a fair amount of time. In fact it took up so much time that the government decided to use Standing Order 75C to close off the debate so that we could deal with matters of concern to the people of Canada.

Now that we have a bit of time, with an adjournment in mind, what do we get? We get a bill to straighten out CALURA. We had an interesting debate in that regard.

Not only do I have a long memory, but sometimes I like to go back and look at things which happened here years ago. I was not in the House when CALURA was brought in. It was during my four-year vacation. I was with the Canadian Labour Congress at the time, but I remember that when the Diefenbaker government brought in the CALURA bill we did not like it. I followed the debate with some interest. The Tories of that day said that the bill was important, that it was the centrepiece to the government's idea to establish Canadian identity. Along with it Mr. Diefenbaker was to bring home the Constitution. The whole purpose of CALURA was to get the facts about the economic situation in Canada. The Liberals of the day thought it was a piece of bureaucracy, interfering in other people's business, increasing the overburden of paperwork and all the rest of it. It was rather interesting to sit here this week and see the two sides completely reversed—the

Tories saying what the Liberals were saying 19 years ago, and vice versa.

Mr. Blais: But not the same players.

Mr. Knowles: No, not the same players. I believe they have all gone to their rewards, or whatever it is they have gone to.

Mr. Friesen: Not all.

Mr. Knowles: All right, but certainly the Liberals of that day are all gone. There are a few old Tories still with us.

Mr. Hnatyshyn: Young Tories.

Mr. Knowles: I indulge in that just to underline what the hon. member for Saskatoon West said. When we had a bit of time, with all the issues facing the people out there, we got CALURA. Then we got the insurance bill, Bill C-66, with which we dealt this afternoon, to straighten out one or two situations affecting a company here and there. Now we have this interesting legalistic bill on state immunity.

I would have thought that when there was time at least we could get some bills dealing with economic measures. If not, I would have thought by now I have persuaded the House that something needs to be done to correct the injustice which was done last summer to about 15,000 or 20,000 widows of disabled veterans. If we could have put through a bill correcting that injustice in an hour or two, I would have thought it would have been the type of legislation we might have had now.

Some hon. Members: Right on!

Mr. Knowles: I am getting full support from my friends to the right.

Mr. Lambert: You could have done it in 1963. It was government policy then.

Mr. Knowles: In 1963?

Mr. Lambert: That is right.

Mr. Knowles: Well, some of these things take time. Last year we corrected something that was put on the books 50 years ago, and in correcting it we still left an injustice. That is something which could have been done. There is the whole question of the position of our pensioners who are slipping behind all the time. I asked a question yesterday about the holders of Canadian government annuities who are still receiving benefits based on a 7 per cent interest rate when interest rates are twice or three times that amount. These are things with which we could be dealing.

I do not know whether or not we will get to some of these issues before we rise for the summer. I hope we will get the bill respecting the widows of disabled veterans. If we do not, I can promise that the debate to adjourn the House without doing it will be a long one; I hope many of us will oppose it. I should not suggest that there is any need to make any threats. I believe the government is considering very carefully the correcting of that mistake and it is just a matter of deciding when that bill will be brought before us. But in the meantime we have this bill before us and, of course, if we get it out of the way, we will go on to discussing the length of elections, whether they should last 62 or 63 days, as they have been all my life, or whether they should be shortened. I would like to see them shortened. Then there is bankruptcy—that is a good subject. We will take up some time on bankruptcy, whether it be bankruptcy of persons, governments, or what have you. We will deal again with two-price wheat, though that is just some small correction to the legislation. There is also an adult education training bill, which has some flaws, but the government would like to put it through fast. Then there are one or two other items. It does not sound like a government or a House of Commons which is coming to grips with a country in trouble, where people are unemployed, where people on fixed incomes are having such a difficult time, and where more than 2,000 wealthy Canadians get by without paying any income tax at all. These are issues—

• (1750)

Mr. Collenette: Speak to the bill.

Mr. Knowles: The hon. member suggests I speak to the bill. It surprises me that my friend has let me go this long without suggesting that. He probably does not know what is in the bill any more than I do.

Mr. Collenette: We let you go because of seniority.

Mr. Knowles: It is nice to see that something has some value around here.

At any rate, I was hoping that the hon. member for Burnaby might arrive and make his speech with respect to Bill S-19 on our behalf. So far as the bill itself is concerned, we feel that anything which seeks to clarify matters and make the position more clear is a good idea. We understand that this bill will be a case of Parliament making it more clear to the courts how they should practise the principle of state immunity. It is true that more commercial operations than used to be the case come under the aegis of a government. It hardly seems fair that because they are government agencies they should receive immunity in the courts and not be bodies to which Canadian individuals or companies can bring an action. To the extent that it straightens that matter out and puts the parties who are engaged in litigation in our courts on equal terms, it is good. We are prepared to give our support to Bill S-19.

I say on behalf of the hon. member for Burnaby that we agree with the position taken by the hon. member for Saskatoon West that this bill must go out to committee. There is no suggestion that it should not go to committee. There is no need for it to spend a week or two out there. It needs at least an hour or two so members such as the hon. member for Saskatoon West and the hon. member for Burnaby can ask the kind of questions which have been put here today.

There is also the very important position which has been taken by the hon. member for Saskatoon West that it is not

only desirable that Canadians appearing in court should be on an equal basis with a foreign company, even though it comes under the aegis of a government, but that means should be developed so that Canadians who win judgments in the courts can collect on them. In other words, this bill is like so many pieces of legislation around here: there is not much wrong with it except the matters which are not in it. We hope it is the beginning of legislation which will meet the various needs in this situation.

On that basis, and since it looks as though my friend from Burnaby is not going to arrive, he will just have to take what I have said on his behalf as being our position. We are prepared to give support to the second reading of this bill and for it to go to committee.

Had the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) not interrupted and called for me to be relevant, I could have kept going until six o'clock. But before I sit down there is a suggestion I should like to make. I believe it should come from some of us who come from other parts of Canada. Tomorrow, St. Jean Baptiste Day, is a rather important day to a great many members of this House. Many of our fellow and sister members from the province of Quebec like to get home to take part in that day's celebrations. It is wonderful what we have done with the rules here. If that holiday falls on a Tuesday, we shut down for both Monday and Tuesday. If it comes on a Thursday, we shut down for both Thursday and Friday. But when it falls on a Wednesday, we just close the House for the one day. Maybe what I have to say is not relevant to the second reading of Bill S-19, but after I sit down the question might be put. I wonder if the House would not be willing, out of respect for our colleagues from French-speaking Canada, to adjourn at six o'clock, and come back on Thursday, allowing our members who want to honour St. Jean Baptiste to have the opportunity to do so.

Some hon. Members: Hear, hear!

Mr. Knowles: I am doing three things, Mr. Speaker, I have spoken for the hon. member for Burnaby, I have stated our party's position on Bill S-19, and I have made the suggestion that just maybe we could call it the end of the day at six o'clock.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Mr. Blais: Question!

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, following the comments made by the hon. member for Winnipeg North Centre, I would like to inform him that this evening we intend to sit, as has been arranged with House leaders. We plan to discuss Bill C-58 and Bill S-6. However, if we could dispose of those bills very quickly before six o'clock, I am sure we could probably take up the hon. member's eminent suggestion. I do not think there would be agreement from members opposite to deal with those two bills in the next two minutes. Therefore, unfortunately, because the opposition would like to speak to these two bills this evening, we will be here. Of course, we will not be sitting tomorrow. Since it is close to six o'clock, I hope we can now call it six o'clock and come back to the study at second reading of Bill C-58 at eight o'clock.

Mr. Hnatyshyn: I rise on a point of order, Mr. Speaker. We have two minutes left until six o'clock and I do not think I am in a position, without prior consultation, to say that we are prepared to pass those two bills. It is important to put on record that the suggestion made by the hon. member for Winnipeg North Centre is an eminently sensible one. In all fairness, many of the celebrations in the province of Quebec take place this evening. I am sorry the government has no interest in allowing members—

Miss Bégin: It is tomorrow.

Mr. Hnatyshyn: It is tomorrow, but many of the preliminary celebrations take place tonight.

For our part we would be glad to accommodate our friends from Quebec and our colleagues across the way to allow them to participate in the festivities. But if the parliamentary secretary insists on forcing us to come back to sit here until the bitter end, we will take our part seriously with respect to important legislation. I reiterate that I wish the priorities of the government were a little more clearly defined.

Mr. Collenette: Mr. Speaker, I made an offer. We have the ministers required. We could move the two motions, second reading of Bill C-58 and then proceed to Bill S-6 immediately. Perhaps then we could adjourn the House for the holiday. It is my understanding that members opposite want to put up speakers on these two bills this evening. I would not want it thought that it was the government that was keeping people here unduly. We have the ministers here. Let us move the motions—

Mr. Andre: You just want us to rubber-stamp them.

Mr. Collenette: We have had much debate on those two bills. The hon. member for Calgary Centre says we are asking for rubberstamping. We have dealt with Bill S-6 on three or four House days and we have spent three days on Bill C-58. So we cannot consider it to be rubberstamping. My offer still stands, Mr. Speaker.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock.

At 5.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

CANADA ELECTIONS ACT

AMENDMENT TO SHORTEN PERIOD REQUIRED TO HOLD ELECTIONS

The House resumed, from Friday, June 5, consideration of the motion of Mr. Bussières: that Bill C-58, to amend the Canada Elections Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I must say that it is rather surprising to be here debating this particular bill this evening. One wonders what goes on in the minds of the government House leader and his cabinet colleagues at a time when the interest rates are in the stratosphere, bankruptcies are reaching new records, inflation rates are at unprecedented levels. Also, the estimates are out of order and remedial legislation is required to put them in order. Parliamentary reform was promised in the Throne Speech, but there has been no sign of it yet. There is a disaster in the energy sector. The government is bringing forward in the energy sector a draft energy security bill which is out of order in terms of its composition—I suppose there is no harm in warning the government now—and the government will have to examine it. With all those priorities and all those important questions of which the government should be seized if it is at all concerned about the country, what are we doing? We are debating Bill C-58 amending the Canada Elections Act to reduce the writ period from 60 days to 47 days. How momentous! One can hear the crowds roaring their approval!

Some hon. Members: Hear, hear!

Mr. Andre: Hurray for our government! It is doing this wonderful deed for us. Are we not getting full value for the money it is spending? Are we not getting full value for having these wonderful people guide our country and look after the priorities and after our problems and concerns? I am sure the people walking to receive their unemployment insurance cheques are very grateful that the government is going to reduce the election period from 60 days to 47 days! I am sure they are just ecstatic. I am sure the persons renewing their mortgages at the end of this month who are looking at interest rates of 17.5 per cent or 18 per cent, will be delighted beyond words that their government is seeking to reduce the election period from 60 days to 47 days. There is no question that the people of this country will be ecstatic over the recognition by this government of this vital and important issue of reducing the election period from 60 days to 47 days.

It has been hot and humid in Ottawa, as Your Honour is aware.

Mr. Deputy Speaker: Absolutely.

Mr. Andre: It frequently is at this time of year. I know, coming from the drier part of the country, that it bothers me and it tends to make me go a little jagged. Occasionally, my wife thinks that perhaps I have gone a little crazy. Obviously the entire government has gone crazy, if this is its priority!

Some hon. Members: Hear, hear!

Mr. Andre: Obviously, the entire government has gone crazy.

An hon. Member: It will not be the first time.

Mr. Andre: Is it the minister from Winnipeg who is saying, "He who lives in glass houses should not throw stones"?

The Elections Act is in need of reform; it is in need of amendment, there is no question about that. If one sat down and made a list of the things which needed changing in the Elections Act, one would have a very long list indeed. Somewhere near the bottom of that list, one would come up with an item on the necessity to re-examine the length of the writ period. It would be somewhere near the bottom of that list. The fact of the matter is that since the last amendment to the Elections Act in 1974, a committee, chaired by the Chief Electoral Officer, involving elected members from each of the parties in the House and involving representatives of the political organizations of each of the parties, has been meeting on a regular basis and discussing the Elections Act, examining it in detail and recommending changes to this act. I am aware of it because some four years ago I participated in that committee for about a year and a half. The committee produced a long list of desirable changes to the Elections Act. Any responsible government that felt that it might now be appropriate to reform, review, alter or update the Elections Act would start with the committee's recommendations. The committee worked on this matter for at least five years. It has gone over the list with a fine tooth comb, and has brought in an enormous list of recommendations. If these are not included in the proposed changes, then what was the purpose of the committee? When the government decided to change the Elections Act, why did it pursue this little change—the reduction of the campaign period to 47 days from 60 days?

• (2010)

I would like to see many kinds of changes to the Elections Act. For example, the act that we have been operating under since 1974 restricts election expenses. I think most people agree with that, but the levels established in the act are now, because of the uncontrolled inflation which the government will not address, no longer applicable.

Recently I examined some old election records, Mr. Speaker. In 1974 an election brochure, produced in sufficient quantities for my campaign, cost $1,000. A similar document was produced by my association recently at a cost of $3,500. Office space in downtown Calgary, which I represent, costs at least three times as much today as in 1974 when these figures were first produced. The cost of radio and television advertising for an election is now beyond the reach of a constituency campaign, given the umbrella figures that were appropriate in 1974.

For the perspective of someone concerned about the adequacy and the proper ventilation of issues, attitudes, views and policies of candidates at election time, the election expenses limit is far more important than is the question of 47 or 60 days.

If the government were interested in electoral reform and wanted to improve the democratic process at the constituency level, it would look at that particular item ahead of the question of 47 versus 60 days.

The provision in the act that requires a $200 deposit for a person to become a registered candidate, is hopelessly obsolete. It was put in who knows how many decades ago—perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) knows.

Mr. Knowles: I have been paying it all my life.

Mr. Andre: The hon. member has been paying it all his life. When he started, $200 could look after a family of four for several months quite comfortably. Today, $200 will perhaps handle a supper if one is not too extravagant and the wine is not imported. To use my own riding as an example, the consequence of that kind of deposit becomes ridiculous. In the last election there were seven candidates, three representing parties which are truly national in scope and which could hope to be represented in this institution and have an influence on the national government, with the remaining four getting tremendous value in terms of advertising and exposure, for a paltry $200. They had a ball, but in the process they disrupted the election considerably. It was impossible to have the debate, for example, between the serious candidates because with seven people on the stage, nothing could happen, so no one scheduled debates. It was impossible to have the type of media program that would expose the candidates and their views and their attitudes because it was a hopeless task when seven people were involved.

All this severely restricted the exposure to the public of the candidates for whom they might have seriously considered voting. It did not serve democracy in the way that we know it. If we are seriously interested in the electoral process, and in the election at the constituency level, we certainly would have to examine that $200-limit well ahead of any change in the election period from 60 to 47 days.

The redistribution formula is something that must be changed, Mr. Speaker. It was put in place as a kind of compromise after the delay of the redistribution that was supposed to occur in 1973. At that time we had three rather senior members of the House, the late member for Prince Albert, the Minister of Finance (Mr. MacEachen) and the hon. member for Winnipeg North Centre who all had reason to be concerned because in their respective provinces they would lose a seat. Being three very influential members of Parliament, they succeeded in having the redistribution delayed until after the 1974 election, at which time a new redistribution formula was introduced which catered to the Liberal party, in the sense of looking after the interests of the province from which the majority of its seats came.

There was great objection to that formula at the time, so there was a semi-compromise. It was allowed that after the first election when the formula was in place, there would be an opportunity to review the consequences of the redistribution formula and recommend change. Unfortunately, we then had a series of very quick elections and the committee reference to which the act refers fell between the cracks and nothing happened. That redistribution formula, however, after the census which is now taking place, would have the result of bringing an additional 30 or more members to this House. That is a change which will do nothing but damage this institution and damage the national government further in terms of its ability to represent the public. There is already such an incredible level of frustration in this institution, on both sides of the House because of the inability of the ordinary member to be heard, to ask questions or make speeches, that the addition of 30 new members will only compound the problem.

It would not be a bad thing for the executive, of course. If you are the king, it does not hurt to have a large Parliament. Any student of politics or sociology recognizes that it is much easier to control a large committee than a small committee and that a House of 300 members is easier for a government to manipulate than a House of 200. Of course, a House of 400 would be easier still to manipulate. It is easy to see the reasoning behind the desire for growth in the size of the institution.

If one is genuinely concerned about the people represented by the members of this House, or is generally interested in this House of Commons and wants to see it function as a real Parliament with real legislative ability and authority, then the last thing that one would be pursuing would be an increase in the number of members.

There are also inequities in that redistribution formula in the way seats are distributed as between provinces. I hate to impute motives to the draftsmen of that redistribution formula one of whom was the Minister of Finance (Mr. MacEachen). By coincidence the result is a redistribution formula which means the largest populated ridings in the country are Alberta and British Columbia which, by coincidence, are the two areas where there are no Liberal members. It is a coincidence I am sure, and if you believe that, you believe the world is flat. It is no coincidence at all.

● (2020)

If you also believed that there are serious questions in terms of western alienation, and if you also believed, as any sane Canadian must believe, that there are serious people in western Canada who are considering separation because they feel so detached from this institution in terms of its ability to represent them, then you would not allow that inequity to continue on the books. Any government that really believed, not in a rhetorical but a real sense, that national unity was important and that it is important for the regions of this country to feel a part of the whole, would be addressing that inequity of the redistribution formula. The government would

be addressing it now to ensure that there is not more fodder or more ammunition for West-Fed, western concepts, western Canada parties and the other groups springing into being daily to represent that frustration which exists out there.

There is a great need for change in the electoral system in this country through the Canada Elections Act. A committee has been meeting for years on a regular basis every two or three weeks with a long list of reforms on its agenda. In other words, the whole fence needs mending. But the government at this time of record inflation, record interest and mortgage rates and high unemployment brings in a bill to fix one fence post, a bill to reduce the election period from 60 days to 47 days. Why is the government doing that? Given this broad array of necessary reforms, why is the government bringing in this bill at this time? I think the answer is not that difficult to deduce. What the government wants is a quick campaign, the quicker the campaign the better. A quick campaign serves the interests of the incumbent.

In this country we have a system where the Prime Minister (Mr. Trudeau) alone can decide the election date. He can decide when the House is to be dissolved and an election called. With the very sophisticated polling techniques that are available and primed daily with a minister for propaganda who sends out contracts on a weekly basis to keep the machinery in order, it is very easy for the Prime Minister to have very up-to-date assessments of public opinion. Therefore, he can have a very accurate assessment of how his party would do if an election were held immediately. Clearly if it were in his power to dissolve this House and have an election tomorrow it would be impossible to ever have a change of government. It would be impossible for any change to be made, given that ability to conduct polls to find out what the people are thinking. By calling an election immediately, that would be it.

Obviously, if an election were held six months after the Prime Minister called it, the election period would not make any difference because people's views change during that time. The shorter an election period, the greater the advantage to the incumbent. So it is very easy to see why we have this bill coming in from the government now. The government has no intention of making the other changes in the Canada Elections Act. The government has no intention of changing the redistribution formula. What we will get are pious speeches from the Prime Minister saying, "Now that I have the Constitution home, I will try to make the regions of the country feel that they are part of the whole", and all of that poppycock coming forth.

But we will not have any of those changes if the powers that be in the PMO and in the Liberal party are able to get this bill through. This bill gives them an advantage over what we have now. Who knows, there may be a change in leadership of the governing party before the next election. Would it not be great to have a leadership convention, with the accompanying deification of the winner, no matter who it is—some reporter digs up a former school teacher who says "I saw greatness when he was four years old" and all of that kind of nonsense—followed immediately by a very short election period, and you would never have to go through the nonsense of having perhaps some other party forming the government or winning a seat or two!

Mr. Nielsen: He would like to do away with elections altogether; they are a nuisance.

Mr. Andre: I am sure the government would love to do away with elections altogether. We can hear members opposite say "That might be a little tough, but we will work at it gradually." I hear one of the sheep baaing. We know you can talk. If you can demonstrate you can think, you will really be accomplishing something.

We have a limitation in the Canada Elections Act. It concerns the advertising period which is limited to the last 29 days of the election campaign. To the public, the only real involvement with the election is the last 29 days. The ads interrupt the soap operas, and sometimes the free time political broadcasts cut out Laverne and Shirley and other such cultural programs. But whether an election campaign consists of 47 days, 60 days or 75 days does not affect the Canadian public—it affects us. We partisans are out there pounding on doors, handing out literature, shaking hands and doing all those kinds of things, but the voting public is not affected. They do not know an election is going on until the last 29 days when the formal advertising period occurs.

Reducing the time of an election campaign from 60 days to 47 days does not save the public the pain of an election period. It does not affect the public at all. Perhaps we ourselves save shoe leather. I am glad to admit that I am an incumbent. Frankly, the 47-day period appeals to me in that sense. I say make it two weeks or even a week, and I will never be defeated. I am an incumbent. The shorter the period, the better. If you are really looking at the democratic system, if you are really concerned and you really think the ability to change a member of Parliament from time to time and the ability to change governments from time to time is an important part of democracy, then you do not sit back so complacently and so easily and say "sure, you want a shorter election period, then we will give it to you" because we are all incumbents. It is very nice for us to cut off our opponents at the pass.

We desperately need to reform the way this country functions. Unfortunately, this institution and its members of Parliament do not reflect this country. The national government here is not a national government to far too many Canadians. Ottawa is almost an adversary, a corporate body which is not the people's in any real sense. People from my region do not look upon this government as being their first government. Their first government is in Edmonton. I think that is sad and it bothers me. But that cannot be changed through some powerplay via energy programs, nationalizing of the oil industry, putting in Crown corporations or forcing a Constitution through. The way to change it is to let the people really have some influence here in the national government.

● (2030)

This bill is just another cute little game to give more advantage to the governing party. If the government is really interested in democracy and wants to make people feel they are Canadians, it should not be looking at these kinds of changes. I could suggest a lot of changes, but I know they would all be resisted by the PMO and the Prime Minister because human nature does not voluntarily give up power. Nobody does.

Since all the power rests with those opposite, we get into a Catch-22 situation. They have too much power for anyone to force them to give up any. No one voluntarily gives up power, so we are caught in a Catch-22 situation. We should seriously examine the possibility of fixed election dates in this country where an election is held four or five years after the previous election, unless a government is defeated by a vote of confidence.

That would be a tremendous change in the system and a tremendous reduction in prime ministerial power. It would not reduce the power of the House of Commons or the national government, only the power of one person in this country.

We need changes in the way this place operates. Canadians decry, and we do as well, the party system that requires its members to vote as a block. Many of us say privately, albeit not publicly, that we wish there was some way that members could vote according to their conscience without being mavericks. With the present voting system, the Speaker asks, "All those in favour". The Prime Minister or the Leader of the Opposition is the first to stand, followed by members of his party, row by row. The system is designed to focus attention on anyone who dares to be a maverick and take a position different from that of his leader. That is the deliberate effect. I think it should be changed.

Lately there have been a lot of editorials and columns by writers too lazy to look at the real problems of the day about the question of MPs salaries. About a year ago I saw a column in *The Globe and Mail* by Geoffrey Stevens who had an idea which I wonder why we cannot discuss some time. That is an examination of the differential in salaries between members and ministers. The Americans have a philosophy which says that in a democracy the most important people are the general public and the next most important are those elected by the general public. Their system states that no one shall be paid more than an elected official because he represents the people, and in a democracy no one is more important. Anybody who is appointed, therefore, must be of lesser importance in their government. If you believe in a democracy and in the people electing members, then the most important person should be the member, the person elected. Anybody appointed should be lesser.

Under the American system, no one who is appointed can get a higher salary than a congressman or senator. I wonder what would happen in our system if we had uniform salaries in this institution with cabinet ministers getting no more and no less than the other members of Parliament.

Mr. Nielsen: Gerry would be back in Nova Scotia.

Mr. Andre: A couple of things would happen. First, it would be much easier for the prime minister to change cabinets. He would not be penalizing someone he dropped from the cabinet or rewarding someone he left in.

Mr. Deputy Speaker: With all due respect to the hon. member, the Chair is having some difficulty in relating what he is saying to the bill before us. The bill before us deals with the electoral period, not the pay of members. The Chair has some difficulty.

Mr. Hnatyshyn: He almost got a standing ovation from the Liberals.

Mr. Andre: I was not talking about an absolute level for this figure, which would not be appropriate. Rather I was talking about how this place functions, the role of members as related to election periods, electoral reform and so on. I will take Your Honour's admonition and not go on with that subject. However, I still maintain that the subject has a lot to do with the way this place operates, and the way it operates is very important in terms of elections, electoral reform, the elections act and so on. Unless there are some changes in this situation, elections will become an exercise in futility.

Some hon. Members: Oh, oh!

Mr. Andre: The sheep are baaing.

Mr. Nielsen: The Nova Scotia sheep.

Mr. Andre: There is no rational reason for bringing forward this bill to reduce the election period from 60 to 47 days except for the desire to give the incumbent that little extra edge which comes from a shorter election period. There are many reforms needed, including changes to the elections act. The list which the Chief Electoral Officer has is enormous.

The danger in giving quick passage to this bill is that we will never see the other reforms. If the government House leader was sincere in his earlier statements and indications about electoral reform and if the government would like to see those changes, my party would be ready and willing to participate in any form of committee, task force, what have you, to see whether we could reach an accord on the appropriate changes to make from the enormous list which the Chief Electoral Officer has. We would be prepared to work together as members of Parliament, not as adversaries but as members interested in the electoral process. The government should assemble the appropriate legislation and bring it forward. It could be given very speedy passage through this House of Commons. We would have a better election act to guide us in terms of the next election, whenever it might come. In the meantime, we on this side feel that the problems of this country are not the fact that elections are run for 60 rather than 47 days. There is no great clamour from the public to reduce the election period. I have not received a single letter or phone call about it and I would be surprised if anyone in this House has.

Frankly, it is baffling and embarrassing to be here—representing my constituents who are wondering how they can afford the 18 per cent mortgage they have to renew—debating a bill which is absurd in terms of the needs of the nation and equally absurd in terms of the electoral process.

The priorities of this government are beyond belief. The opposition does not have any authority, and maybe we should look at reforms in this regard, to bring in legislative programs to deal with the problems of the day. Perhaps we should look at a reform to allow the opposition in a situation like this to address the priorities of the country where the government refuses to do so. Perhaps that is the kind of reform we need and should be examining.

We are forced to debate the government's agenda. This afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) suggested we adjourn for this evening if the government had nothing to discuss so that the Quebec members could enjoy the celebrations on the eve of St. Jean Baptiste Day. That would be serving the country a lot better than sitting here discussing this bill which does not benefit the country one whit. It benefits our democratic process not one whit. It addresses the priorities, even on elections, not one whit. What does it do? It gives the incumbent some advantage, and therefore it is worth pursuing, at least in their priorities. I am sorry, it may be hot and humid in Ottawa; it may be getting to be the silly season, but it is not so silly that they are going to pull a fast one like that on this House. Thank you, Mr. Speaker.

• (2040)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I do not intend to be either as long or as profound as the previous speaker. I must say that generally I find myself in agreement with the provisions of the bill we have before us. My objection to it would be that it does not contain those other things, some of which were referred to earlier by the hon. member for Calgary Centre (Mr. Andre), that should be included in a bill to make all manner of amendments to the Elections Act.

I am in favour of the reduction in the period of the writ from 60 days to 47 days, and the main reason is that this is what I feel is the wish of the people, at least in my constituency. We have in this day and age virtual saturation coverage in election campaigns on the radio, television and in the newspapers. People get heartily sick and tired of listening to all this. Every time they switch the television set on there is the Leader of the Opposition (Mr. Clark), the Prime Minister (Mr. Trudeau) or some candidate running for office.

Most members of the public have either made up their minds who or which party they intend to vote for before the writ is even issued, or they tend to wait until election day or a few days before to make up their minds. As long as you take it in reasonable terms, it does not really matter whether it is 30 days or 80 days. Many countries have an election period of only 30 days, and various provinces in Canada have only 30 days. So honestly I do not think it would have that big a bearing on the result of the election. I would support this measure because I feel this is what the public of Canada, particularly people in my constituency, would favour.

A number of people would argue that in large constituencies such as my own it is very difficult for members or candidates to travel to every community, but in the days of jet aircraft it is really not that difficult. It might be difficult to get to every little community with 20, 30 or 40 people, but it is not difficult to get to the vast majority of communities containing 85 per cent of the population.

It must be remembered that the situation is the same for every candidate. Every candidate has to figure out how he must use his time to what he considers his maximum advantage. No one person really has an advantage over the other. I guess the 60-day period goes back to the days of the horse and buggy, the days when it was necessary for the party leaders to travel from one end of Canada to the other and back perhaps several times by train. That does not happen anymore. We have instant communication with radio, TV and the wire services, so that a speech made in Halifax is reported the same day in Vancouver. There have been developments in printing technology that enable the Chief Electoral Officer to do his job fairly quickly. This also enables candidates to get their literature and posters printed fairly rapidly. I do not really think a reduction from the present 60 days to the proposed 47 days puts too much disadvantage in anyone's way.

It has been argued that a reduced writ period would favour the incumbents, both the incumbent member and the incumbent party which at present forms the government. If the period were reduced to a week, as suggested earlier this evening, that might indeed be the case. But with a writ period still in excess of that commonly used in most provinces and many other countries in the world, I do not think that is really the case. Any assistance it might give to an incumbent, either the individual or party, would be fairly marginal at best.

I can think of circumstances in which the very opposite might be the case. When a government chooses the time it wants to go back to the people, the advantage might be with a shorter election period. If we take as an example the opposite, as happened early in 1980, I think a longer election period would have worked to the advantage of the incumbent government. That election was the 18-cent election, and if the people had had more time to really look into the promises being made by what at that time was the opposition party, they would have realized what nonsense those promises were. They would have realized that the price of energy had to go up, so at that time a longer period would have worked to the advantage of the incumbent, which was the Conservative party. As long as changes are made within reason, any advantages or disadvantages are going to be pretty marginal. The public of Canada would be well served by not having to listen to and look at us and other candidates during election campaigns for the time they have to at present.

There are a number of areas in which the bill is remiss. There are a number of areas the bill does not cover. These were listed on several occasions during the earlier debate on

this bill. I want to repeat one or two and maybe add a few, some of specific local interest.

One of the most important things not addressed by the bill is the ever-expanding membership of this House. The present number is 282, and I understand that if an election were to be held today, or within a short period of time, the number of members re-elected would be some 312. This number would escalate exponentially as the population of Canada increases. I do not think we should adopt the British system where they have 650 or so MPs. I always wonder what all those 650 people do.

Mr. Fraser: We wonder what all these do.

Mr. Nickerson: That is true too, especially those over there. I wonder what they do all the time and I have never yet been able to figure it out. I think probably we have too many members in this House now. Rather than an increase to 312 I would like to see a decrease to 250. Let us try that. The more members you have, the more the part played by an individual member is reduced. He finds himself relegated to being a number, to just standing up when a vote is called. If there was an equal allocation of the time of this House to members, and you took the number of minutes in a day that we sit on average and divide it by the number of members, it would come out to about one minute per day. Of course, the Prime Minister, the Leader of the Opposition and front bench members on both sides have, together with the Speaker, a disproportionate amount of that time, and rightfully so, there is no objection to that, but it leaves the average member of this House with something much less than a minute, or five minutes a week. If you give one 20-minute speech a month, you have used up your time. I think by expanding the number of members, you take away from the individual member and you relegate him to the position of one small cog in the wheel. At the same time you are increasing the influence of the executive and increasing the power of the Prime Minister and his cabinet colleagues.

● (2050)

We on this side of the House, and many members on the other side, have said that we desire a system whereby the ordinary member of the House would play a much greater part. That, sir, is my speech from the back row. Ten years from now, when I am in the front row, I might change my mind slightly.

I guess one of the main problems we have to face if we are to maintain or, hopefully, reduce the number of members, is the fact that certain provinces where the population has not been expanding at all will find themselves in a position where they would lose members. If I understand it correctly, the reason the rapid expansion was adopted the last time around was that no province wanted to lose members. That problem has to be addressed, and I am sure it is within our capabilities to solve it.

I would like now to extend some compliments to the Chief Electoral Officer of Canada, Jean-Marc Hamel. I was one of the members who took advantage of section 59(2) of the elections act after the last election and sent him correspondence with a number of views on how the election had been run and what could be done to improve the procedures, particularly in my constituency. I was most pleased with his response, his attentiveness and the way in which he dealt with my letter. He obviously gave the matter the attention that I at least thought it deserved. Most of the points I brought to his attention were technical matters and I do not wish to go into them in any detail right now. He assured me that he already knew about a lot of these technical matters and they were on the way to being cleared up. However, I have one or two comments to make about ways in which the election process might be made a little more effective. These should be, but are not, in the bill before us tonight and I would hope to see some of these matters dealt with during the term of this Parliament.

The first one deals with the appointment of returning officers. The system we now have goes back many years. The job of returning officer is handed out by the party in power; it is a patronage position. I do not think that is right. I think the choice of returning officer in each riding should be left to the Chief Electoral Officer of Canada. The returning officer should be directly responsible and answerable to him, and the appointment should not be made with patronage in mind.

The system we now have is really a nineteenth century system and I would hope we have progressed in this respect as we have done with many other public officials. These positions should not be handed out on a platter with the idea of some political return; rather, they should be filled by people who are technically the most proficient and able to carry on the work.

If that were to happen, the number of complaints levied against returning officers and their deputies would be much reduced. Election personnel are nominated by the party in power, and the people not of that party always have the suspicion that something might possibly go wrong. There is always the suspicion that the election officer might in some small way be going out of his way to help the representative of the party that appointed him. I would hope that could be changed. Perhaps it is not even necessary to change the legislation, just the practice.

The second point I would like to bring to the attention of this House is rather a parochial one, but it deals with section 61.2(1) of the elections act. This section allows for special publication and broadcast rules for the territories, those areas of Canada which unfortunately are not yet provinces. The idea behind this is quite reasonable. In the days when there were no real radio or TV stations in the north, when it took a long time for newspapers to circulate, when in fact there were not really that many newspapers, it was perhaps necessary. The first day you are allowed to advertise in the press or over electronic media is the twenty-ninth day before the election, and that restriction does not apply to the Territories. I think we have progressed sufficiently in northern Canada that we are now not much different from the rest of the country. There is no real need for this provision any more. It is difficult because if you go to a newspaper or radio station prior to the twenty-ninth day to place an advertisement, they have all had a notice

circulated to them from the Chief Electoral Officer saying that this is prohibited. They are not aware of this little technicality in the bill which says that does not apply to the territories. If you do get something on the radio, somebody will pick it up down in Alberta and there will be all kinds of complaints because this guy is advertising before he should be. They are not aware of the exemption. There was so much difficulty with this provision in the last federal election in the Northwest Territories, that to the best of my knowledge none of the candidates took advantage of it. That, I think, is a good indication that the provision has outlived its usefulness.

My third point is with regard to aid to illiterate persons, and also persons who do not read the orthography used for printing in English or French; rather they use the syllabic method in which the Inuktitut language is commonly printed. This matter, at least the syllabic part of it, is of more interest to my colleague, the hon. member for Nunatsiaq (Mr. Ittinuar), who unfortunately is not here this evening.

• (2100)

There are many people in his constituency who do not read the normal orthography used in the rest of Canada; they use the syllabic system. Consequently, they are unable to read the names of the various candidates. It would be a fairly simple matter to allow, by some rule or regulation under the elections act, the names also to be printed in syllabics. It is no great difficulty at all, it is just a technicality. I hope that can be done.

My next point is on the use of photographs either on the ballot papers or on the walls of polling stations to aid people who are not able to read or write. There are many of these people in my constituency. This has been the subject of great local debate. I am referring not only to federal elections, but to territorial and municipal elections as well. That problem has been solved for all elections other than federal ones.

The various band councils first suggested the idea of putting the photographs of candidates on the ballot papers. It proved to be very successful, and the municipal ordinance was amended to allow that practice to be followed in municipal elections. It is quite a common practice in many communities in my constituency. There were some technical difficulties respecting the use of photographs on the actual ballot paper in territorial elections, but with the assistance of the Chief Electoral Officer acting as adviser to the territorial legislature, a system was adopted whereby the photographs of candidates could be displayed in polling stations with their names underneath. Thus people were able to memorize the name for the limited period of time it took them to go into the booths and mark the ballots.

There is great difficulty in this regard. People will come up to us on the street and say, "I would like to vote either for you or your opponent, but there is no way I can read the names. Could you tell me where your name appears on the ballot paper? Is it first, second or third?" If the candidate is number two, he or she is very lucky; it does not matter which way up they have the ballot paper because they will mark it in the right place. But, if the candidate is number one and they have the ballot paper upside down, he or she is out of luck. Certain exceptions to the general rule could be made for areas where there are large numbers of people who are unable to read or write. It has been demonstrated that it is possible. It is just a matter of putting our minds to it.

That is as far as I want to go. I could pursue this matter for a long time by repeating many of the arguments and by indicating the omissions of other speakers, but I do not really want to do that at this time. I have pointed out the most important general omissions and also some of the rather specific ones. In conclusion, I support the provisions of Bill C-58 which is before us, but I would certainly like to see it expanded to address some of the other unresolved problems.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I should like to make a few comments on this bill, particularly with respect to the comments of the hon. member for Calgary Centre (Mr. Andre). It seems the growing tendency in the House is to talk out a bill basically because it does not go far enough. If we were acting co-operatively in the House, we would realize the difficulties facing governments in power. Unfortunately, perhaps for the opposition but not for the country, the Conservatives were not in power long enough to come to grips with the fact that we cannot have everything we want at any given stage. When we have a relatively simple bill which has a positive effect, I find it difficult to understand why it is being opposed, yet I see this happening all over.

The hon. members of the NDP opposed Bill C-48, the oil and gas bill, because for some reason or other it did not go far enough. But there is probably no combination of hon. members in the House who could bring in a better or tougher bill. They are opposing bills because they do not get exactly what they want, therefore we do not get anything and too much time is spent talking these things out.

This is a good bill which does a very small but positive thing. As I travelled around the country during election time, particularly in my constituency, there is no doubt people told me that elections were too long. Of course they used some other words to express themselves, but they just did not believe that elections needed to be so long. I think this is a positive bill. I would like to see it go further. I would like to see a permanent list. I would like to see us reduce the time to 30 days or 35 days, which would be an adequate amount of time to run an intelligent election in any country.

We must remember that any election starts years before it is actually called. We are in elections all the time. We are debating where we are going and where the next government will go. It is never sudden. Although the last election was very sudden in one respect, it was a continuation of the debate which had been ongoing in the House for several years.

Basically we have a decent and good Elections Act. It is better than it was years ago. It does many good things. As the hon. member for Western Arctic (Mr. Nickerson) just indicated, we still need some changes. I do not fault him on that. I

think he made an honest effort to point out some of the things he wanted.

This is a good bill because it eliminates some of the abuses, for instance, in the province of Ontario where there is no limit on the amount of money a candidate can spend. With the kind of devices available to candidates and the money which can be spent on television and so on, it is almost possible to get anyone elected if there is no limit and one has enough money. One very positive provision of the act eliminated this by indicating that the amount of money a candidate could spend would be based upon the number of people in his or her constituency. I think it is a reasonable limit. For example, in my area the limit is approximately $26,000 per candidate. This provision makes a lot of sense.

Certainly there are other positive provisions in the act which tend to make elections a very orderly process, something that makes people believe there is a degree of honesty on the part of all concerned. But there is something seriously missing.

Before coming to the House, I spent 22 years as an educator, a high school principal and so on. I have seen young people growing up and spending ten years to 12 years on the average in school; of course a lot of them spend many more years than that. I remember on one occasion I went into a classroom to discuss a given subject with some young people. They spent some time trying to understand. There was a certain amount of teaching going on and there were questions back and forth. Certain information was being passed back and forth between teacher and pupil. Then I was put in an opposite situation when I became involved in the political scene, and I was confounded by the fact that I had to express myself in terms of the press and in terms of an election in 30-second jingles. There is no possible way that one can convey intelligent ideas in 30-second jingles. One reason most people say that the elections are too long is that they have heard the same jingles for 21, 26 or 28 days, as is the case in federal elections, and they have heard nothing else. There is no decent communication. Many of the candidates are chosen because of their ability to deal with the jingle. In many cases candidates are not chosen because they have good minds, or because they are thoughtful and have been looking at the situation for a long time. Very often there are other reasons why they have been chosen. Someone props them up and they run through an election.

● (2110)

I am told that one candidate in my area had six professional organizers working through an election campaign. They just walked around and told the candidate the right things to do. It was all managed. There is no way I can appear on television, unless I blow the whole $26,000 for 15 or 20 minutes, to take part in an intelligent debate where the issues are seriously dealt with.

Let us say that an election was held today and we had to deal with monetarism versus low interest rates. That is an important subject to Canadian people, yet it would be virtually impossible to discuss that issue in an election campaign because we have never managed to take the matter seriously. We have let the media take the situation over. We have said to the Canadian public who have been in schools for ten to 15 years, who are used to communication, "You do not deserve that. All you are worth is a jingle."

If democracy is to survive in this country, we must do something better than what we are doing. We must make sure that candidates who run in elections are able to express themselves as intelligent human beings in terms of the issues which pertain to the election. People say that they do not know where we stand after an election. How can I convey serious notions about monetarism, interest rates or federal fiscal arrangements in a 30-second jingle? I cannot do it. It is not possible. It seems to me we should be putting our time and energy into finding out how it is possible to have decent debate, debate that will involve people.

I hate to say this after nine years as a politician, but I do not feel that the public sees me as being very important, as being very relevant. I am not just talking about myself but about politicians in general. They see us in some kind of dirty way. They think we need all these rules, otherwise we would cheat. I feel a great deal of this is caused by the way we present ourselves, with the electoral laws which we have which permit us to be sold by jingle, something which contains all kinds of words but no real substance. It is no wonder the public sees us as not being worth $30,000, or $32,000 a year, or whatever our take-home pay is.

Somewhere along the line before I leave this place I hope to establish an image for myself which is a cut above what I have just outlined. I would like to see all politicians being able to talk seriously to the public about issues. I do not want to do it in a 30-second or 60-second jingle.

I feel this bill is something worthwhile. I hope other members share my views on this matter. We should really get down to running elections seriously in an intelligent way so that the people of Canada can become involved in what is going on and can try to make sure that their candidates understand what is happening.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I appreciate the opportunity of following the hon. member for Thunder Bay-Atikokan (Mr. McRae). He rather cultivated my imagination when he said that he would like to create an image before he leaves this place. I would like to tell the hon. member, Sir, he has already created that image. I trust that he is speaking for himself when he says people do not know where politicians stand. I think it would have been better had he said that people do not know where Liberals stand. The public was promised there would be wages and price controls and they were promised that gas prices would not rise. We all know what happened.

Mr. Collenette: Speak to the bill.

Mr. Towers: Mr. Speaker, I will speak to the bill. The hon. member spoke about this, and surely members opposite will

give me the opportunity to retaliate. What kind of one-sided outfit is this becoming?

The government is trying to give the impression that it is doing something for the Canadian people through this bill, Bill C-58. Imagine cutting 13 days off the election time. What saving will that mean to the Canadian taxpayer? I would like one hon. member opposite to stand up and tell me what benefit there will be to the Canadian taxpayers as a result of cutting 13 days off the Canadian election. It riles me to think that this government lacks the imagination to take advantage of so many opportunities to do something for the Canadian people.

If you will permit me, Mr. Speaker, I will list several of those points. First and foremost is the bill which I presented in this House of Commons. I trust that it will be debated some time in the not too distant future. I hope that there will be a limitation on the membership of this House. I recognize that other members have already referred to this point; but if there is one thing we politicians must do, it is to realize that the taxpayer cannot continue to accept the excessive load which is being placed on their backs by the political system. My friend, the hon. member for Western Arctic (Mr. Nickerson) referred to the number of members in the House of Commons in Great Britain. I recognize that there are 635 members in that House. It must also be recognized that there are 60 million people living in Great Britain. We have provincial legislatures which also serve the 25 million people who live in Canada. We must not forget that. If the government wanted to bring in a worthwhile measure at this time, why does it not bring in a bill which will freeze the membership of the House of Commons until such time as it can be substantiated that there should be an increase in our membership?

I must ask what the priority of this government is. It brings before us a bill which will limit the election period by 13 days. There are so many opportunities which can be taken advantage of through the Elections Act. What about the swearing-in ceremonies for a great many of the people in our urban centres within that period of time?

The hon. member who had the floor before me mentioned that people get awfully tired of jingles. This bill will not change that at all. There will still be 28 days of advertising, which is another area with which I certainly do not agree. I do not think the government should be infringing on the rights of Canadians the way it is through the advertising which takes place through the campaigns. Editorial writers are frightened to comment because those comments may be construed as advertising. People are afraid to put anything on paper prior to that 28 days for fear of being charged. We recognize that there have been infringements of this regulation. I do not really see why that is so very important.

● (2120)

I would like to debate those kinds of issues rather than the matter of just cutting back the election period by 13 days. I know that people get tired of elections. People get tired of politicians. They get too much of it, simply because there has not been enough production from the system. We on this side of the House cannot do anything about it if the government does not provide the leadership and the imagination which is required. It is up to the government. Surely, the Canadian people must recognize the void which must exist in the minds of the government members in order for them to bring a bill like this forward at this time.

What about the people who are disenfranchised simply because there is no provision in some of the smaller rural centres for swearing in? Surely, those areas should be allowed to have that type of privilege which is granted to urban centres. What about those people who are disenfranchised because they are hospitalized? We are not doing anything about that, unless the government decides that it will change some of the regulations guiding the Chief Electoral Officer. Those are changes which would be of benefit to the Canadian people. Why are we not talking about that? The government does not say anything about that at all. No mention is made about that in the bill.

What about the handicapped? What is the government doing about making the polls accessible to those people too? What about the areas in large rural ridings where regulations make people drive 20, 30 or 40 miles to exercise their franchise? What are we doing about that?

What are we doing about the dictatorial attitude of the commissioners who set up the boundary lines? What consideration is given to that? None at all. There is nothing in this bill which would do something for that. What are we doing about the boundary lines coinciding with county lines within the rural areas? Nothing at all. What are we doing about the boundary lines coinciding with the social habits of people, their lines of communication and their travelling habits? Nothing at all.

There are so many areas in which we could be doing something for these people. Therefore, I have to severely criticize the government at this time for bringing in a bill which just limits the election period for 13 days. Does Your Honour know what will happen? The people who are involved in that election will start campaigning earlier, that is all. They will have their house in order, they will have their machinery geared up and ready to run, and that is all. It will not change anything. There is nothing in this bill which will change anything. There is nothing in this bill which will change the advertising regulations. Therefore, the people will still be subjected, whether it be good or bad, to 28 days of advertising.

One of the reasons this session of Parliament has been devoid of any constructive suggestion is that the government is apparently devoid of the ability to bring anything forward that is imaginative. Therefore members, especially those on the government side, should really take a look at these matters to see what we can do to improve the reputation of the House of Commons. Certainly I must emphasize this once again. Increasing the membership of the House of Commons is not the answer to our problem. I realize that is outside the purview of this bill, but we have to seize these opportunities when they

present themselves so that we can present our case, because the more members there are in the House of Commons, the less effective is every individual member. It gives more power to the executive part of the system, which is the cabinet and, presumably, the Prime Minister (Mr. Trudeau). This is what is wrong with our system. We are not giving enough consideration to the Canadian people and what they require. Thank you very much for affording me the opportunity of presenting my views, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I am pleased to participate in this debate, however briefly. I am somewhat surprised by the reaction of hon. members opposite who are complaining about the fact that the bill is not complicated. When we come up with a measure which contains many provisions, they feel justified to speak at length and they complain that we overload the circuit. When we are overly simple, they say that we are too brief and that we do not cover all the angles. In the end, any reason at all will do to filibuster at a simple stage of a bill.

[*English*]

I want to remind the hon. member who spoke before me that this bill was introduced by his own government a few months ago.

Mr. Crosby: So?

Mr. Pinard: We are doing exactly the same thing now, in dealing with this measure at this time—

An hon. Member: Shame, shame!

Mr. Pinard: —to demonstrate to our colleagues that it is not a partisan move but a change which is good for them, which is good for us and which is good for everyone. This does not mean that in the future we will not present this in a more elaborate form in due time, so far as the elections act is concerned; but at this time, we thought that this change that was required—

Mr. Crosby: Resign!

Mr. Pinard: —by their own government, this change which is required—

Mr. Crosby: Resign!

Mr. Pinard: I am sorry. I cannot speak with that hon. member being sick or showing that he does not feel well. He might just go out of the House. However, it is very difficult to speak while someone is roaring like this. It is not my style to—

Mr. Crosby: Quit! Quit!

Mr. Pinard: I think the hon. member is feeling better now, Mr. Speaker.

Mr. Mayer: I do not know why, if we are to look at you!

Mr. Pinard: Maybe the hon. member prefers to listen to me through his ear piece. In that case, I will speak in French.

[*Translation*]

I was simply saying that it is a bill which was introduced by his own government and that we are doing the same thing because it is a provision with which all members were in agreement. It seems to me that members opposite do not appear to be very sincere today, as was the case on an earlier day as well as another one just before the Easter recess, when they go on speaking simply to delay the adoption of such a simple bill. In fact, Mr. Speaker, what we are trying to do, and we have already said so, is to cut the much too long 60-day electoral campaign down to 47 days. Once again, this bill had been endorsed by their government. We are presenting the bill at this time because certain members have yet to understand that we must clean up the bills which have accumulated as a result of two elections in less than a year. If it is so simple, if all parties agree and if it was good for their government, then why put up speakers during three days to delay the adoption of this bill on second reading and put off its reference to the appropriate committee?

At this time, I want to appeal to the common sense and intelligence of every member—including the one who is not feeling well—so that the study of this bill will not delay the debate on the next bill concerning the double price of wheat. This is a basic agricultural piece of legislation, and I cannot understand how opposition members can find all sorts of excuses to delay a very simple bill, just because they definitely do not want to talk about agriculture in the House and therefore do not want to debate Bill S-6—

[*English*]

—which is called the bill on two-price wheat. Therefore, I do not understand why the hon. member does not want to speak on agriculture in this House or why he is delaying the second reading of this very simple bill on elections. That is why I will not talk much longer.

This bill is good for hon. members opposite. It is good for everyone. It is good for all the people in this country. I ask hon. members on both sides to collaborate in referring this bill to the committee as soon as possible so that later on this evening we can deal with another bill which is related to agriculture and which is very important to the Liberal members in this House.

Some hon. Members: Oh, oh!

Mr. Mayer: Good for Liberal members? Which ones?

[*Translation*]

Mr. Pinard: In closing, Mr. Speaker, I would simply like to confirm the business of the House for Thursday—and I am doing it out of courtesy for hon. members opposite so that they can prepare themselves. We are going to consider Bill C-13, Bill C-65 and Bill C-68 in that order.

[*English*]

So I repeat to my hon. colleagues that the business for Thursday will be Bill C-13, Bill C-65 and Bill C-68, in that order.

Mr. Knowles: Would the hon. minister permit a question? Is the minister telling us that that is the business, regardless of what happens to Bill C-58 tonight?

Mr. Pinard: Yes, Mr. Speaker, because I presume there is good faith on the part of all hon. members in this House.

• (2130)

Mr. Towers: Mr. Speaker, the government House leader missed one significant point in his point of order. That was the fact that the situation a year or 18 months ago was much different. We are now in the process of a new redistribution.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Towers: Just a moment, Mr. Speaker, please.

The Acting Speaker (Mr. Ethier): Order, please. These remarks could have been included in the hon. member's speech.

The hon. member for Bow River (Mr. Taylor) on a point of order.

Mr. Taylor: Mr. Speaker, in responding to the point of order raised by the government House leader, I should like to point out that he mentioned that this bill was good for everybody.

The Acting Speaker (Mr. Ethier): Order, please. I did not hear the President of the Privy Council (Mr. Pinard) rise on a point of order. He rose to speak on the bill before the House. I think the hon. member for Bow River has spoken on the bill, so he cannot have a second round at this time.

Mr. Taylor: Mr. Speaker, I am not speaking on the bill; I am rising on a point of order. The government is very adept at bringing in closure. Now the President of the Privy Council is trying to tell us to stop talking because this bill is good for everybody. We have a right to speak.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Kindersley-Lloydminster (Mr. McKnight).

Mr. McKnight: On a point of order, Mr. Speaker, I should like to explain to the President of the Privy Council that the reason Bill S-6 is so important to the government is that if it is left out, a considerable amount of money will be owing to the farmers of Canada—

The Acting Speaker (Mr. Ethier): Order, please. Order, please.

Mr. Howard Crosby (Halifax West): Mr. Speaker, thank you for giving me the opportunity to make some remarks on Bill C-58, to amend the Canada Elections Act. Before I commence my address, let me comment briefly on the remarks of the president of the Privy Council (Mr. Pinard) and reiterate these remarks made by my colleague, the hon. member for Red Deer (Mr. Towers). He said in very clear terms, and I should like to underline and repeat it, that the bill of the Progressive Conservative government, was introduced under much different circumstances. There was a minority government and an election could have been called at any moment, so it was regarded as a step that ought to be taken. Today, however, we do not contemplate a general election any earlier than two or three years hence so there is a lot of time to consider election measures. There is no comparison between what was proposed by the Progressive Conservative government and what is now taking place in this House.

It is a disservice to this House and to all members for the President of the Privy Council to get up and annoy members on this side as he always seems to do. I want to say to the President of the Privy Council, because I do not always get an opportunity to say such things to him, that if he would deal with matters with a more even and mature hand, the progress of legislation through the House would be much more even. His precipitous statements and actions are a continual annoyance to all members.

We are prepared now, and at all times, to defend our position. In this particular case it is easily defended. The problem started with the Speech from the Throne more than one year ago, when the government of which the President of the Privy Council is a member, said that it would introduce electoral reform and promised a broad-based change in the electoral provisions that apply to this nation. Where are these reforms? One year and several months later, the only electoral reform we have is Bill C-58. This is a minor change but a very important one. Without all the other changes that ought to be made, it is totally meaningless as are most of the statements made by the President of the Privy Council, to my way of thinking.

Mr. Pinard: Mr. Speaker, I rise on a point of order. I did not mean to annoy the hon. member. If he wants to cool down, I apologize if I offended him. I did not intend to. I just ask him to keep cool and speak to the bill and we will be very happy to listen to him.

Mr. Crosby: Here we go again, Mr. Speaker. The pomposity of the hon. member who, I might say, comes from that great province where they automatically elect Liberals to the Parliament of Canada—

Some hon. Members: Hear, hear!

Mr. Crosby: —without any question of what their qualities are. I can tell you that the qualities evidenced by the hon. member in this House would not get him elected in most constituencies in Canada. Let him stay in his seat. We have heard enough from him. He has disrupted this House on too many occasions.

Now I shall speak to the bill, Mr. Speaker. The main force and thrust of this bill is very simply a change in the period of time that will elapse between the call of the election and the

election day. Specifically, the government proposes to reduce the period from 60 days to 47 days. When we consider the public interest, we can hardly argue with that change because the people of Canada are sick of elections. They are sick of hearing the Prime Minister (Mr. Trudeau) make promise after promise and not keep any. They heard him speak against wage and price controls and then saw him introduce them in this House. They heard him talk about lowering the price of gasoline and keeping it at a proper level and then saw the price of a gallon of gasoline rise beyond any level that any government ever proposed. In that sense, the people of Canada are sick of elections and I can understand that. If they are sick of elections, we can all understand that they would want the period of the election reduced from 60 days to 47 days.

What is the point of the reduction, Mr. Speaker? There are other ways that we could foreclose and cut off the speeches by people like the Prime Minister who promise things that they do not intend to deliver. There are other ways of achieving that, which are different from cutting down the period from 60 days to 47 days. If the President of the Privy Council does not know that, when I am sure the hon. member for Red Deer would be pleased to take him aside and, with his mature wisdom, tell that young man from the province of Quebec that there are other ways to do these things. We do not need to cut down the period of time in which a citizen who aspires to become a member of the Parliament of Canada, may present himself to the public.

What the public is concerned with is the advertising on radio and television. All of that could be cut out without reducing the period that elapses between the call of the election and polling day. I am very disappointed that the President of the Privy Council does not know that.

He asks why this bill should not go through as it is non-partisan, and he points out that it was introduced by the Progressive Conservative government. He should know that it flowed from the bureaucracy. The Chief Electoral Officer sat down one day and decided that he did not like the 60 days and that he was going to write a report and recommend a shorter period. That is very nice for the Chief Electoral Officer but I do not think he wants to become a member of Parliament. There may be people in the country who do and they may need more than 47 days to campaign. It is nice that the Chief Electoral Officer has given some thought to the subject and made a report, but that does not mean that we have to accept his word on the subject.

If we in this Parliament feel that there are other points that ought to be taken into consideration, then that is what we ought to do. We ought not to blindly follow the views expressed by the Chief Electoral Officer, whether or not they are endorsed by the President of the Privy Council.

What is the point of reducing the length of a campaign? The change would really cut down on the campaign techniques and methods that may be used, but there are many other ways that this could be done.

I have reviewed the history of this proposed change and have already indicated that the suggestion came from the Chief Electoral Officer who made a report in December, 1975. Interestingly enough, his major concern was the cost of printing the preliminary lists of electors which he said at that time would cost about $4 million. Now, in April, May and June of 1981, the Government of Canada is going to reduce the expenditures of the country by $4 million! Thanks a lot to all those taxpayers who have contributed $60 billion to the Government of Canada to spend on all of those programs which they think Canadians need. The government will reduce that by $4 million, so we will not spend $60 billion, we will spend only $59.9 billion and some odd million. I am sure the people of Canada will be duly grateful. What they may not be grateful for is the amount of time in which they have to consider which candidates and which party they ought to elect to the House of Commons. That is what they may not thank you for. Why would they not thank you for that? As those who run for office know, a certain amount of time is needed for candidates to introduce themselves to the electorate, to deal with the issues and to conduct their campaign. It does not mean that they have to be featured on TV. It does not mean they have to advertise in newspapers, periodicals and so on. All of that can be controlled. But why limit the period of time? That is the point of this bill.

● (2140)

The President of the Privy Council, that great man from the province of Quebec who comes here and tells us how to conduct elections, is the one who says we need this reduction in time. I have just one question. How does he know that we Canadians need this reduction in the period of time? Does he know what the situation is in Bow River? Does he know what the situation is in the Yukon? Does he know what the situation is in Prince Edward Island? What in heavens name does he know? Has he even travelled to those places? I have never seen him in Halifax, Nova Scotia. Have you seen him out west? No, but he knows. He is like all of those people over there. Some magical process tells them that they know. They have received a mandate from the people of Canada and they know what to do about all those situations. They know how to handle them. They know what to do. That is grand. But I do not have that kind of arrogance. I do not have that kind of pomposity which tells me I know what is good for the people of Canada.

I say if you have a provision in the statutes of the Parliament of Canada which affects all the people of Canadas, like the Canada Elections Act does, you have to be very careful about changing it. It is nice that the Chief Electoral Officer has looked at it and said, "We can save money by shortening the period." That is very good and that is a point in their favour.

How far has the government gone? Has the government consulted with the people? Has the government asked the people whether they want the period of elections shortened? I do not think the government has done anything like that. I think people have sat in the back rooms of government and made this decision for the people of Canada.

I am here to say without any trepidation that I reject that. If the government can tell me that the people of Canada want this change, I would be the first to join with the government to support this bill. The government has not done that. The government has not vetted this provision. The government has not asked the people of Canada, and the government does not know whether or not this change is desired across Canada. What is more important, the government has had all kinds of time to ask the people of Canada. The government can do it with the electoral reform commissions promised in the Speech from the Throne over a year ago. This promise has not been delivered. The government has all kinds of time and resources. The government can go across this country and ask the people of Canada what they want in the way of electoral reform. The simple question can be asked: do you want this period reduced or not? Why would the people of Canada want the period reduced? They want to see the candidates. They want to see the leaders. They want to hear the comments. They want to consider all of the factors that go into making up the vote in an election. Therefore, let us consult with the people. Let us take our time. Let us not get carried away with a bill that was introduced in the House of Commons a year or two ago by another government, recommended by the Chief Electoral Officer. Who the heck cares about the Chief Electoral Officer? Who is he? He is one man.

Some hon. Members: Oh, oh!

An hon. Member: He was appointed.

Mr. Crosby: There is the word, he was appointed by this House. He is not appointed by the people of Canada. Anytime we have the opportunity to consult with the people of Canada on the issue, which is an issue which belongs to the people, that is their issue and, that is what we should do. We should never rely on one man, be he Chief Electoral Officer, Mr. Speaker, or the President of the Privy Council, particularly with the attitude that man has who holds that office.

The government has promised electoral reform. No one asked the government for electoral reform. There was not a plebiscite; there was not a referendum. The government in the Speech from the Throne offered the people of Canada electoral reform. The government comes up with Bill C-58, which merely reduces the time that elapses between the issuance of the writ and the date of the election and makes the other mechanical actions, the preparation of the voters lists and so on, conform with that period of time.

Let me tell the government and the President of the Privy Council about some aspects of electoral reform. What about the number of seats following an election? What is the government going to do about that? Is that going to be put aside or put off to another day while we deal with this minor electoral reform? What about the financial provisions? Are the government and the people of Canada satisfied with that? Are they not concerned with the party that can produce the most money and win the most seats? Is this not a factor that should be vetted? What about swearing in urban voters? If you live in the city and are not on the voters list, you do not get the notice, and if you do not get the notice, you do not know that you are not on the voters list and you lose your right to vote. What are you going to do about urban voters and swearing them in during an election? Why would there be this discrimination and discrepancy between urban and rural voters? All of us in this Parliament support not the urban voters and not the rural voters, but the voters of Canada. We all think they should have equal rights. What is the government going to do about that? Let us see a bill dealing with that subject.

What about two enumerators in urban polls? How much would it cost? It is 282 times whatever it costs for an urban voter. The people of Canada spend that amount of money, but in rural areas they do not need to. They need only one enumerator. Who made that decision? I do not think the member for Bow River (Mr. Taylor) had any part in that decision. I do not think most members in this House had any part in that decision. Surely that is a matter we should look at and reconsider. We should question whether it is right or proper to have two urban enumerators and one rural enumerator. Where is your bill on that, Mr. President of the Privy Council?

What about time of voting from east to west? What a ludicrous provision that is. You can turn on your radio in British Columbia and find out three hours before you vote what the result is in eastern Canada, Nova Scotia and now half an hour earlier in Newfoundland. We all know about that. What are you doing about that? Is that right? Should a person in British Columbia know in advance what the vote is? What about time? Are you going to do anything about that?

Mr. Collenette: Mr. Speaker, I rise on a point of order. I am sorry that I have to interrupt the hon. member because he seems to be quite wound up this evening. I was going to call for relevance but there is a point that I think is quite valid. There is a bill before the Standing Committee on Privileges and Elections dealing with the electoral clock. My understanding of the rules tells me that it is improper for an hon. member to talk about a matter which is currently before another forum of this House.

• (2150)

The Acting Speaker (Mr. Ethier): I am sure the parliamentary secretary is referring to the rule of relevancy. I am sure that members of his House appreciate and accept the fact that the rules have been stretched quite a bit, especially on this bill, by all members. The bill is very narrow in scope. At the beginning of the debate I invited members to keep their discussion to the shortening of the election period. However, there has been argument from both sides stretching parts of the bill. It is a matter of members criticizing the bill and saying that another bill should be before the House. I think that is what the hon. member was doing.

Mr. Crosby: The government members are hurting over a few remarks I made. I do not speak that often in this House. It is reassuring that I can get to them in that way. Obviously if I were just palavering and swarming over these provisions and

wasting time, they would not get up. However, they are hurting. They do not want these reforms that I have listed. They do not want to deal with the time of voting, the official count, two enumerators, swearing in urban voters, financial positions and the number of seats in the House of Commons, so I will pass over that. I will not embarrass them further with that. Let me just say this in conclusion. This bill, as I said at the outset, reduces the election period, but it does it in a way that is discriminating between the voters of Canada. Why? Because it continues that difference between urban voters and rural voters.

That ought not to happen. Why? Because those members across the way who are so certain of their position in relation to the electorate of Canada, so sure that they are the guardians of the rights of the people of Canada, have guaranteed a right to the people of Canada, that is the right that every citizen has the right to vote in an election of members of the House of Commons. They put that in the Canadian charter of rights and freedoms which they put through this House with all the power and authority of a majority government but without the consent and concurrence of the people of Canada.

The government says that everybody has the right to vote. Then what does it do? With the Canada Elections Act and this amendment the government says it is a little different, it is not exactly just the right to vote, but the right to vote in a certain way in an urban area and a right to vote in a certain way in a rural area. If you live in an urban area, you can only vote if you are registered and get on the list, but if you live in a rural area and can get on the list after. Therefore, the charter of rights that the government brought before the House of Commons and across Canada to make everybody equal is not going to make them equal just like that. It is going to be a little equal and different.

That is what the government is bringing before this House. It is going to perpetuate the difference that now exists even though the whole thrust and purpose of the constitutional resolution is to remove differences and to remove discrimination. There is no intention of removing discrimination, and the electoral law is one example. The government does not intend to remove discrimination for handicapped persons or with regard to regional disparities. It is all window dressing. The government in interested in fooling the people of Canada. It fooled them once on wage and price controls and it fooled them once on gasoline prices. It wants to fool them again on election provisions, but we are here to stop that.

Mr. Pinard: On a point of order, Mr. Speaker, I wonder whether the hon. member will permit a question. I know he will because he is a very wise man. He does not like the shortening of the electoral period by 13 days from 60 days to 47 days. By how many days would he like to see the electoral period shortened?

Mr. Crosby: I am glad the President of the Privy Council has asked me that question. I have a summary here of all the election periods right across Canada. They go from 28 to 35 and beyond. What I want to say to the President of the Privy Council is that it is the date that the people of Canada think is appropriate after they consider all the factors and a general electoral reform under the auspices of the kind of commission and committee that the government proposed in its Speech from the Throne. What I say very simply so that he can understand is: let him consult the people of Canada. They will tell him what period of time is appropriate. He does not need to ask us or anybody else.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I must first apologize to the President of the Privy Council (Mr. Pinard) for the demotion I gave him when I referred to him as parliamentary secretary. I can understand the minister's rush to bring in Bill S-6 because it is legally binding upon the government to pay an additional $125 million to farmers in the Canadian Wheat Board area. As long as it sits there, the government is encumbered by that. Therefore, I can understand his concern that it be brought forward quickly.

I would like in the time allotted to me to address briefly members who do not have large rural ridings. Members from metro areas can go into an apartment block with a team and spend most of the afternoon there. My constituency measures 18,000 square miles. It is not the largest in Canada. Some members in the government benches and some of my colleagues have larger constituencies.

Mr. Nielsen: You better believe it.

Mr. McKnight: I hear some bemoaning the fact that theirs are larger. In a constituency structured like mine in rural Saskatchewan, there are no large centres. About every 12 miles there is a village of 40 to 50 people. Occasionally you come across a larger village of 500 people. Therefore, unlike the hon. member for Athabasca (Mr. Shields), the hon. member for Western Arctic (Mr. Nickerson) and the hon. member for Yukon (Mr. Nielsen), I cannot fly from point to point. There is no point in flying six or 12 miles. In that type of constituency it is necessary that members travel by road in order to communicate with the voters.

As an incumbent members of Parliament, I guess I should welcome this bill. In a constituency structured like mine, it offers a large advantage over someone wanting to become known. I will give just a little bit of history. I began campaigning in 1978 for the 1979 election. I had as opponents a member of Parliament who had been defeated in 1974, and a newly nominated candidate.

The Acting Speaker (Mr. Ethier): Order, please.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN BROADCASTING CORPORATION—PROPOSAL TO CONSTRUCT PRODUCTION CENTRE IN TORONTO

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, on Friday, May 15, 1981, when the president of the Canadian Broadcasting Corporation appeared before the Standing Committee on Communications and Culture, I renewed my question concerning the CBC plans to build a production centre in Toronto. Mr. Johnson's reply was as follows:

> That until there is an indication of a commitment of funds from the government for the construction of the Toronto broadcasting facility, which would be the equivalent of the one that was built in Montreal quite some time ago, we frankly have not been committing funds. There just is no money in the budget for Toronto consolidation and I am unable to predict to you when that money will be made available by government.

One week later, on Friday, May 22, 1981, I pursued the same subject with the government when I rose in the House to ask the Secretary of State and Minister of Communications (Mr. Fox) what steps his department has taken, or plans to take, toward the construction of a Toronto production centre. The reply I received was that:

> It is up to the CBC to make recommendations to cabinet.

Thus we unfortunately have the present situation where both the federal government and the Canadian Broadcasting Corporation are shunning the responsibility to each other on who is exactly responsible for the long overdue establishment of a production centre in Toronto similar to those already in operation in Montreal, Vancouver and the one soon to be established in Regina.

Before I pursue this matter again in the House I would like to add some facts of which I assume most Canadians are not aware.

During my recent tour of the 23 CBC buildings in Toronto at 19 different sites, I found the conditions and facilities to be absolutely appalling. To even think of the millions of dollars spent each and every year renovating these buildings with accoustics, lighting and other necessities is enough to give one indigestion. Can you just imagine the nightmare and waste of valuable manpower running from one building to another with tapes and scripts? It is a real struggle to co-ordinate the services of the CBC in Toronto with these facilities spread over such a large physical setting.

Further, it must be noted that the present situation, difficult as it is, is becoming much worse, especially when one considers that three-quarters of the space presently occupied by the CBC in Toronto is leased, and much of this rental accommodation is to come up for renewal. Given the present market conditions for rental space in downtown Toronto there is little doubt, if any, that the new rental leases will be sky high.

How is the CBC expected to develop or even maintain high quality programs when more and more of its budget is being eroded by rental expenses? Put simply, the CBC has become a victim of the marketplace where increases in budget are not keeping up with the increases in recent expenses, thus forcing many of the facilities into second and third-rate rental space, further away from each building.

I am not here to advocate a mere building to house all of the CBC's facilities in Toronto under one roof. Rather, I am here to urge the government and Canadians to develop the concept of establishing a world class broadcasting centre in Toronto on a 9.5 acre site adjacent to the CN Tower, presently owned by the CBC. This is a reality which would physically and symbolically meet the CBC's production needs as a world leader in radio and television broadcasting, as well as signal an international identity to the world in the fact that Canada celebrates its cultural wealth in architectural design, technology, production, craftsmanship, arts, innovation and imagination.

Toronto and Canada have many of the world's finest writers, producers and performers, and to deny Canadians this celebration is to deny them the cultivation of our human creative resources and culture.

It is here that I would like to drive home another concept, that is that, as Canadians we should not limit our options to traditional government capital expenditures of money. Rather, we should be exploring options and possibilities for the marriage of both public and private enterprises in bringing about this realization and celebration of the Canadian cultural dream.

Let me return to some of my earlier statements this evening. When I put the question in the House to the Secretary of State and Minister of Communications, "What is the government planning to do about such a facility?", the answer I received from him was that it is up to the CBC to decide whether or not it wants to build such a facility. When I asked that question of the CBC, it pawned off the responsibility to the government, and when I asked it of the government, it pawned off the responsibility to the CBC.

Therefore, I would like to know tonight once and for all just who is responsible for making that decision, when will it be made and what are the costs involved? If it is too costly to begin construction immediately, then surely we as Canadians should be putting so much aside each year so that two years, three years, or even five years down the line we will have the necessary elements and the necessary capital put together to build a CBC production centre in Toronto similar to the kind that Montreal, Vancouver and Regina boast.

• (2205)

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Canadian Broadcasting Corporation has its main English language facilities located in some 22 different buildings scattered across Toronto, some of which are badly substandard. Over the years,

the CBC has imaginatively overcome some of the compromises of this situation. However, the optimum solution has long been recognized as being a consolidation of facilities. In fact, the CBC purchased a prime site on Front Street in 1978 and developed plans for a consolidation.

As the minister has stated, estimates for the construction of a new CBC facility on this site range from $235 million to $250 million, which by any standard is a considerable sum of money. A capital outlay of this magnitude must be considered in relation to the total level of CBC's parliamentary appropriation, which includes some $60 million for capital projects. As hon. members know, the CBC is required by Parliament to serve all Canadians, which it does according to an independent evaluation, with a level of efficiency which exceeds that of most other state-operated broadcasting services in other countries.

With this in mind, one could ask whether the CBC could devote the entirety of its capital budget to a single major project, such as a consolidation of Toronto facilities, and still maintain the same level of excellent service across Canada. I think it is clear that CBC management is doing its utmost to balance its obligation to provide both a high level of regional programming as well as quality radio and television programming for national audiences.

To enhance the CBC's ability to "serve the special needs of geographic regions", as the Broadcasting Act directs, the government has recently approved a new CBC broadcast facility for Regina, Saskatchewan. This major facility, to be located in the Wascana Centre, will entail three television studios, nine radio studios, plus associated production and administrative areas. It is a project which will cost over $16 million and will significantly improve the corporation's English and French radio and TV service in that province. Similarly, in Newfoundland the government has approved the construction of a new broadcast facility for Grand Falls.

Meanwhile, as a fellow Torontonian I share the hon. member's concern for the difficult circumstances under which the CBC now operates in our city. Currently, the CBC must lease the majority of its Toronto accommodation. As the hon. member stated, the economic situation is different now from what it was a short time ago. The cost of rental accommodation in Toronto is going up and terms for lease agreements are becoming shorter. The CBC is naturally concerned about this situation and has been exploring possible solutions.

Therefore, the CBC recently approached the government with a proposal to lease new facilities in Toronto. The intent of this project is to consolidate under one roof some of the activities presently undertaken at separate locations in the city such as editing facilities, variety production, computing facilities, etc. I think it goes without saying that a higher degree of physical proximity will aid operational efficiency of those units involved. Secondly, it will enable the CBC to vacate some of its current premises which are substandard. Clearly, it is with these objectives in mind that the government has approved this new undertaking which, at least for the immediate future, will facilitate CBC's operations in Toronto which are so vital both to the service it provides in southern Ontario and to much of the English language programming seen and heard nationally.

HOUSING—(A) MEASURES TO HELP HOME OWNERS FACING INCREASED MORTGAGE PAYMENTS; (B) SUPPORT FOR CO-OP PROJECTS; (C) BANKS' PROFITS ON PROPERTY TAX COMPONENT OF MORTGAGE PAYMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, you do not know how I have to fight off the temptation to give the hon. member for Parkdale-High Park (Mr. Flis) some additional information about CBC that the departmental answer did not provide. However, I have to go on to the question that I have.

It concerns questions I asked the Prime Minister (Mr. Trudeau) a week ago regarding social housing. June is the month when probably half the mortgages in Canada will be renewed, and CMHC estimates there will be 500,000 thousands mortgages renewed in Canada this year. That affects about two million people, Mr. Speaker, and I think it would be conservative to estimate that the mortgage payments will increase anywhere from 30 per cent to 45 per cent and more for those families.

● (2210)

This means the mortgage payments on their houses will increase by $300 to $400 per month, which is the equivalent of their grocery budgets. But their salaries have not increased to meet this, so the squeeze will be on them. I might add that this affects all families from the young ones to senior citizens.

I asked the Prime Minister about social housing or the development of co-operative housing. A developer told me not long ago that the best deal for low-income families today was co-operative housing. When a developer tells me this, I know there is a serious problem in the housing industry, particularly in the greater Vancouver area. The Prime Minister fluffed off that one too.

Just last week I talked with a person who was trying to negotiate a project which would provide housing for handicapped low and middle-income families in the south Surrey-White Rock area, but the minister had already declared that the greater Vancouver area would not get more housing units this year. Thus, there was no sense in even trying to negotiate a project which was vitally needed in the area. The Prime Minister did not want to intervene on that one either.

Finally I asked the Prime Minister about the policy of banks and large lending institutions in Canada whereby they collect the money for property taxes as part of the mortgage payments. I have no quarrel with that arrangement; I have done it for many years. It is a good arrangement for home owners—while they make their mortgage payments, they pay extra money each month to pay for their property taxes. The banks offer a good service to home owners which enables them to make the property tax payments.

Something which I had not noticed before came to my attention last week. The banks pay 3 per cent on the property

tax component of the mortgage payment. Property owners do not have to do it through the banks. They can set up their own trust accounts and do it on the side, but the banks do not advertise this very thoroughly and most of the time property owners assume that it is part of the procedure. Again I say it is a good service, I have no quarrel with it, except that the banks are paying 3 per cent. This is less than 20 per cent of the going rate. I think the parliamentary secretary will agree that one can now get 16 per cent to 17.5 per cent on a certificate, yet banks are paying only 3 per cent on the property tax component of mortgage payments.

If one million mortgages are being held by the banks on which they are collecting the property tax component, and if we cut in half the $1,000 or $2,000 they are collecting in property taxes to arrive at the average amount they are holding on behalf of property owners, we arrive at $500 million at 3 per cent. Therefore the banks are paying out to property owners $15 million per year. However, if they paid the going rate or even 15 per cent, which is below the going rate, they would be required to pay $75 million. This means that the banks made unearned profits of $60 million, which is a very low estimate, on the mortgages they are holding for property owners.

As I said the other day, it is unconscionable. The Prime Minister said that he would refer the matter to the Minister of Finance (Mr. MacEachen) and that the Minister of Finance would go to the banks and the lending institutions to make representations to them on that matter. I guess the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) will read the departmental answer tonight. Am I correct?

Mr. Bockstael: Yes.

● (2215)

Mr. Friesen: I wish to know two things, Mr. Speaker. First, did the Prime Minister refer that matter to the Minister of Finance and, in turn, did the Minister of Finance make a representation to the national banks? Second, what have the banks said, if in fact that has happened? What answer have those banks given to the Minister of Finance? Will they stop ripping off the property owners who are facing enough of a squeeze as a result of the escalation in mortgage payments? Will home owners receive some kind of return on the dollars invested which will be in some way relevant to the kind of payments being made on all other kinds of savings accounts, loans certificates etc? What does the parliamentary secretary have to say? Has that representation been made?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to comment further on the matters raised by the hon. member on June 17.

With respect to the home owners who face possible foreclosure because of increased mortgage payments due to high interest rates, I should like to point out that the lending industry has indicated to both the minister and his colleague, the Minister of Finance (Mr. MacEachen), a willingness to bend over backward to help those experiencing serious difficulties in meeting their mortage payments on renewal. I believe such cases can and are being given sympathetic consideration by the lenders. It is, after all, in their interest to avoid foreclosure.

As I have indicated, Mr. Speaker, last year the federal government extended assistance to home owners who received contributions when they bought their houses in 1975 under the Assisted Home Ownership Program, known as AHOP. In March of this year the government agreed to continue to apply the extended assistance to qualifying AHOP home owners. The maximum amount available to a home owner is $1,500 a year, up from last year's limit of $750.

In response to the hon. member's query and support for co-op projects, I agree that this form of housing has proven to be an effective way of providing adequate and affordable family housing. Last year the federal government allocated 5,000 social housing units for municipalities experiencing an acute shortage of rental accommodation. The minister is looking into the feasibility of increasing the unit allocation to such tight market locations this year.

The hon. member raised the question of profits made by banks on the property tax component of mortgage payments. I should like to point out that the mortgage form prescribed by the national housing loan regulations requires approved lenders under the National Housing Act to pay property taxes on behalf of borrowers. Officials of Canada Mortgage and Housing Corporation are presently reviewing the problem that current interest rates have created with respect to the interest allowable on tax deposits provided for in NHA mortgages, with a view to determining if this policy should be revised.

● (2220)

MARINE TRANSPORT—WITHDRAWAL OF DART CONTAINERLINE SERVICE FROM HALIFAX—DATE OF ANNOUNCEMENT

Mr. Howard Crosby (Halifax West): Mr. Speaker, the matter I wish to raise this evening relates back to February and March of 1981. It concerns the decision of the Dart shipping group to move its container service from the Port of Halifax to the Port of Montreal in connection with a proposed liaison between the Dart shipping group and Canadian Pacific Limited.

In specific terms, on March 4, 1981, I questioned the Minister of Transport (Mr. Pepin) with respect to the involvement of the Canadian National Railway Company in the operations of the Cast shipping group, which I considered, and which many in the Port of Halifax considered, to be interinvolved with the decision of the Dart shipping group to remove its operation to the Port of Montreal.

Mr. Speaker, one of the problems which has occurred in the last few years in relation to the North Atlantic container traffic is the competition which has driven many of the marine transportation companies out of business. It is apparent that there has been a consolidation of the marine transport service amongst a few international operators. One of these international operators is the organization which is apparently headed

by a Canadian citizen who lives abroad, and who operates the Cast shipping group.

The decision of the Canadian National Railway Company, endorsed by the Government of Canada, to invest over $60 million in the Cast shipping group, has given the impression to the international marine transport companies that the Cast shipping group has the backing of the Canadian government. It was only reasonable then that the Dart shipping group, as well as other international marine transport companies, would seek to protect themselves from this kind of special deal which was provided by the Government of Canada through its agency, the Canadian National Railway Company.

Therefore, with that motivation in mind, the province of Nova Scotia, and other persons who were interested in the port of Halifax, sought the assistance of the Minister of Transport in reviewing the decision which was made by the Dart group and the Canadian Pacific Railway whereby the container service was removed, as I have said, from the port of Halifax to the port of Montreal. In specific terms, what the premier of the province of Nova Scotia asked the Minister of Transport to do was to hold an inquiry at which all of the factors which were relevant to this kind of decision-making would be reviewed.

The Minister of Transport indicated in this House of Commons and elsewhere that the whole matter could be reviewed by the Canadian Transport Commission at a hearing which was required under the National Transportation Act, because Canadian Pacific Limited, being a transport company, sought to acquire an interest in Dart.

That hearing was held last week in the city of Halifax; but unfortunately, at the very outset of the hearing it was stated in categorical terms by the representative of the Canadian Pacific Limited, that nothing will stop Dart's move to the port of Montreal. Consequently, Nova Scotians, from the premier of Nova Scotia right across to those interested in the port of Halifax and all citizens, were very disappointed because there was no way that this whole decision could be reviewed.

We have repercussions because in the U.S. Congress and before a committee of the United States Congress objections have been raised to the operation of the Cast shipping group. It has been described as a James Bond company, robbing traffic from U.S. marine carriers and taking them to Canadian ports. On the face of it, there might seem to be some advantages for Canada; but after all, we are a very small country dealing with the United States goliath.

I can guarantee Your Honour and all hon. members of this House that if the United States retaliates against these predatory moves by the Cast shipping group, which are said to have the support of the Government of Canada, and are said in that congressional hearing to be a flag carrier of Canada, it will be a disaster for the Canadian marine industry. It will be a disaster because the United States has that kind of power, so much so that our Canadian embassy had to send a diplomatic note asking that a bill proposed by the Congress of the United States to enact these measures which would protect the U.S. marine industry be delayed and not passed by the Congress.

This is the kind of problem that arises from the government's involvement. Encouraging Dart to move from the port of Halifax to the port of Montreal not only affects the port of Halifax, it has international repercussions as well. If allegations have been made, they must be answered by the Minister of Transport. The only way they can be properly answered is at a full hearing. We can review the whole marine transportation industry in relation to container traffic and get the answers—not only the answers necessary to protect the port of Halifax from the predatory moves of the port of Montreal, but also the answers that will stave off the criticism now being vented in the United States and which could have very serious repercussions.

● (2225)

The Minister of Transport has a serious obligation in this area. I can understand how he would seek to protect the port of Montreal by writing off $230 million in debts and by providing millions of dollars worth of infrastructure for that port, but by doing so he is going to create an international controversy and wreak havoc in the marine industry in Canada.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on March 4 the hon. member asked the minister what he would do to equalize the treatment of the ports of Halifax and Montreal. At that time, and on several subsequent occasions in the House, the minister tried to show that it is impossible to demonstrate that one port is favoured over another. For each example of an advantage for Montreal, one can easily cite an advantage for Halifax.

I can understand the hon. member's reasons for bringing this issue up again. He has just attended hearings by the Canadian Transport Commission into CP's acquisition of one third of Dart Containerline. Given that the CTC has not yet rendered a decision, it would not be appropriate to comment on the submissions.

But I think that, in his concern for the port of Halifax, he has lost sight of the fundamental commercial reality of the situation. Dart and CP arranged this deal so that they could begin using larger, more fuel-efficient container ships in their service to Europe. He claims that government policies caused the move from Halifax. I suggest that government policies were quite incidental to the move, and in any case, it cannot be proven that the port of Montreal is favoured.

The minister made it quite clear that interested parties had several opportunities to state their cases. In Halifax last week, the hon. member had one such opportunity. It will be up to the CTC to determine if his intervention was relevant.

In a previous answer, the minister stated that the Premier of Nova Scotia and all other interested parties would have three opportunities to bring the subject forward in the coming months. Under section 33 of the act they could have an inquiry into the acquisition by CP ships of part of the Dart Company, and under section 27 of the act they could intervene if the CN should decide to increase its ownership of CAST in the coming

months. There are two, and possibly three opportunities for members and the Premier of Nova Scotia to make an intervention on the subject of freight rates that he contends will be increased by the CNR.

Rather than painting a dark picture of his home town, Mr. Speaker, the hon. member should be promoting it. He should be describing the active marketing of the port by Halterm and Ceres. He should be noting the new transshipment arrangements in Halifax by a large Puerto Rican line, and he should be announcing that the Polish ocean line, a new caller at the port, intends to double its visits to Halifax, starting in 1982. That is the sort of news that will give Halifax the good name it deserves!

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until Thursday at 2 p.m.

At 10.29 p.m. the House adjourned, without question put pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 25, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

IMPORTATION OF AMERICAN BAKERY PRODUCTS—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise under the provisions of Standing Order 43. The Canadian bakery industry, representing some 30,000 jobs, faces a very real threat due to the rapidly escalating price of Canadian flour in the widening gap between domestic and American flour prices. Because this situation makes it much cheaper to produce baked goods in the United States, and has resulted in more and more baked products being imported from the United States, I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That the Minister of Agriculture immediately convene a meeting with representatives of the Canadian bakery industry in order to hear its concerns and consider ways of stemming the importation of American bakery products.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AID

SUPPORT FOR STATEMENT SIGNED BY NOBEL PRIZE LAUREATES—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Yesterday an historic statement of concern on the issues of hunger and underdevelopment, signed by 52 Nobel Laureates, was released simultaneously in Europe and at the United Nations. Among the signers was a distinguished Canadian Nobel Laureate, Dr. Gerhard Herzberg. The statement appealed "to all men and women of good will, to all those in power and to all ordinary people, whatever their responsibilities may be, to bring back to life the millions who, as victims of the political and economic upheavals of the world today, are suffering from hunger and privation". I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House draws the attention of all Canadians to an historic statement of concern on the issues of hunger and underdevelopment signed by 52 Nobel Laureates which was released simultaneously in Europe and at the United Nations, and commends the Nobel Laureates for this initiative to aid the plight of 800 million people who live on the margins of society.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

POST OFFICE

NEGOTIATIONS TO AVERT STRIKE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgency. It appears that little progress has been made at the bargaining table between the Canadian Union of Postal Workers and the Treasury Board. The government is apparently unwilling to accept many of the recommendations made by the conciliation board chairman, Pierre Jasmin. In light of the fact that the postal union is in a position to go on strike Monday night, and that such a strike would cause severe interruption of a vital service to the Canadian public, I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That the government undertake to negotiate in a meaningful way with representatives of the Canadian Union of Postal Workers in an effort to avert such a strike.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

ASTRA TRUST

CALL FOR JUDICIAL INQUIRY—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the federal government to launch a judicial inquiry into the circumstances surrounding the licensing, operation, and collapse of Astra Trust and related companies, and in particular to answer the following questions:

(1) Why was a licence granted when reports were available questioning the bona fides of the principals of the company?

(2) Why did it take over a year for the Department of Insurance to learn of the incorporation of Re-Mor Investments if Astra was under "close supervision"?

(3) What contact was there between the federal and provincial governments throughout the period 1974-1980?

(4) What compensation should be paid to depositors in Re-Mor and depositors of over $20,000 in Astra Trust, who assumed a federal guarantee for their deposits?

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TERPSICHOREAN ART

TRIBUTE TO CANADIAN AWARD WINNERS AT MOSCOW BALLET COMPETITION—MOTION UNDER S.O. 43

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, under provisions of Standing Order 43 I rise to seek the unanimous consent of all hon. members of the House. Yesterday at the third Moscow International Ballet Competition, five Canadians received awards second only to the number of awards given to the host country. In light of this remarkable performance by these dancers from the National Ballet Company and the National Ballet School, I move, seconded by the hon. member for Guelph (Mr. Schroder):

That this House recognizes the outstanding achievement of the Canadian dancers competing in the Moscow Ballet Competition, and in particular Kevin Pugh and Kimberly Glassco, each winners of silver medals in the senior category, Owen Montague who placed second in the junior category and received a special award, and Martine Lamy and Serge Lavoie.

Madam Speaker: The House will want to show its appreciation by its applause.

Some hon. Members: Hear, hear!

ENERGY

SUGGESTED STUDY OF URANIUM INDUSTRY—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise on a matter of urgent importance under the provisions of Standing Order 43. The world will be moving more and more toward nuclear energy use, giving rise to increasing concern and apprehension as to nuclear weaponry proliferation. Canada is and will be playing an ever-increasing role in the supply of uranium fuel and safeguarding against the inappropriate use of such fuel. Therefore I move, seconded by the hon. member for Bruce Grey (Mr. Gurbin):

That the government undertake a uranium inquiry by reviving the 1980 resolution of the Progressive Conservative government establishing a joint committee of the House and the Senate to examine and report on all aspects of Canadian uranium mining, processing, use and marketing, both domestically and internationally.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TOURISM

EFFECT OF NATIONAL ENERGY PROGRAM—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. American motorists coming to Canada for gas which is subsidized by the Canadian taxpayer account for 50 per cent of the tourism increase in the first quarter of 1981. According to figures released by Statistics Canada, a colossal surge in same-day border crossings from the United States to Canada in the first quarter accounted for about half the increase in all visitors from the U.S. to Canada compared to a year ago. I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the House, once again, demand that the National Energy Program, which is aggravating oil pricing negotiations between Alberta and the federal government, be scrapped, and at the same time the House congratulate the minister responsible for tourism for his ability to manipulate Canada's ridiculous energy policy and the oil pricing impasse into his plans to expand this country's tourist industry at the Canadian taxpayers' expense.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

PETRO-CANADA

LAY-OFF OF UNION OFFICIALS FORMERLY EMPLOYED BY PETROFINA—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise under provisions of Standing Order 43. In view of the fact that on the takeover by Petro-Canada of Petrofina, both president Hopper of Petro-Canada and president Nadeau of Petrofina gave assurances that no workers would lose their jobs as the result of this takeover either before or after it, and that since the takeover both the president and secretary of Local 14, United Oil Workers, were laid off three days before the official takeover, and since this union has filed seven complaints against Petrofina for union-busting activities,

[*Translation*]

I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Minister of Energy, Mines and Resources direct the boss of Petro-Canada to meet with union officials with a view to having the laid-off workers rehired.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

POST OFFICE

ANNOUNCEMENT OF COMMEMORATIVE STAMP TO HONOUR TERRY FOX—MOTION UNDER S.O. 43

Mr. Jack Burghardt (London West): Madam Speaker, I rise on a matter of urgent and pressing business under the provisions of Standing Order 43. In view of the announcement by the Postmaster General (Mr. Ouellet) minutes ago that the Government of Canada will issue a stamp titled "Marathon of Hope", which recognizes the significant achievement of Terry Fox, I move, seconded by the hon. members for York East (Mr. Collenette) and Sarnia-Lambton (Mr. Cullen):

That the cabinet be congratulated for again recognizing the outstanding achievement of Terry Fox.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

TRIBUTE TO MR. DINSDALE, DEAN OF THE HOUSE, ON THIRTY YEARS OF SERVICE

Madam Speaker: Before I recognize the hon. member for Brandon-Souris (Mr. Dinsdale) on orders of the day, I would like to say to the House that today marks the thirtieth anniversary here of the hon. member for Brandon-Souris as a representative of his constituency. His representation is continuous, without a break, and he has justifiably earned the title Dean of the House of Commons.

Editor's Note: At this point the hon. member for Brandon-Souris was accorded a standing ovation.

Madam Speaker: Since the return of the writ on July 16, 1951, the result of a byelection held June 25, 1951, as members know, the hon. member has had a very distinguished career. He has served as an alderman for the city of Brandon, as mayor, as a member of the legislative assembly, as a member of this House, and as a minister of the Crown. Also he has had a very distinguished career in the Royal Canadian Air Force during which time he was awarded the Distinguished Flying Cross. I now give him the floor.

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I hope I have your permission to make a preliminary statement and then ask my questions. After 30 years I suppose a situation like this is best described in the words "I am a survivor". I think it was Premier Khrushchev who was once asked what he did during the Stalin years, and he said, "I survived."

Some hon. Members: Oh, oh!

Mr. Dinsdale: We in Canada do not need to have any fears with respect to that kind of survival. However, I would like to make one point. I suppose one should make a profound statement on an occasion like this, and I borrow that French phrase:

plus ça change, plus c'est la même chose.

[*English*]

The more things change, the more they are the same.

I came to Parliament as a member of the opposition. I am still a member of the opposition.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Dinsdale: I came into Parliament when the late C. D. Howe was the minister of everything, as we used to say back in those days. I suppose, if I may put it into the contemporary context, he would combine in his person our present minister of resources, the Minister of Finance, and even the Prime Minister himself as constituting the whole part and parcel of government, with one exception, and I say this to the Minister of Finance. The catch word in those days was, "What's a million?" Today it is, "What's a billion?"

● (1420)

Money values have changed obviously. It is an honour to have served in this House for a period of 30 years. I have established warm friendships on all sides of the House. This is

something that people outside Parliament cannot appreciate when they see the rough and tumble of debate. One of my friends recently came to the House during one of the heated moments of debate and said, "Now I understand the meaning of original sin". That is what it might look like to people looking from the sidelines.

I had a very good relationship with the hon. member for Lincoln (Mr. Mackasey), especially when we were both engaged in helping to resolve the postal strike pre-Christmas, back in 1975. I was in hospital at the time—

Mr. Mackasey: I almost was.

Mr. Dinsdale: —undergoing some heart surgery. There arrived at my hospital room a tape. The hon. gentleman knew I was fond of music. The title was quite significant under the circumstances. It was "The Sound of Music". He might send a copy of the same tape to other people of whom I can think, for "music hath charms to soothe the savage breast". We have had tragedies in our family. But one of the things I remember with great appreciation was the rallying of members of Parliament from all sides of the House. Incidentally, the first letter I received came from the late governor general, Georges Vanier, who had great sensitivity in these matters.

We were stricken with severe disability 15 years ago in the bosom of our family. Today in the Year of Disabled Persons, 1981, it has been my privilege to be involved in a vitally important exercise. I think it is fitting that we are again honouring Terry Fox who, more than anyone, has raised the level of awareness of the special needs and the special abilities of the disabled. It has been my privilege through the parliamentary process to help change what was tragedy into what we believe is going to be a triumph and a major breakthrough on behalf of disabled people in this country.

We have had a parliamentary prayer breakfast, believe it or not, all through the years. Sometimes the public believe that the only kind of praying that parliamentarians do is spelled "preying". The prayer group has been a source of warm fellowship to me over the 30 years.

Finally, I pay tribute to my constituents who, for 30 years, have seen fit to support me during 12 elections. I have had only one slogan: Has served, is serving, and will serve. They have accepted that slogan as a sincere indication of what I planned to do as their representative.

I should point out that my predecessor who sat in this House for a number of years, and also I believe became the Dean of the House, and was a Liberal during all those years, did not get into politics until he was 65. He died in office in 1950 at the age of 81 which precipitated the by-election to which you, Madam Speaker, have referred. He was a very distinguished gentleman. When my Liberal friends ask me if I am thinking of retiring I say, well in light of the experience and the service of my predecessor, I have at least 25 years to go yet!

Some hon. Members: Hear, hear!

Mr. Dinsdale: I remember the hon. Bob McGregor who used to be known as "Silent Bob". Some members will remember him. He became the Dean of the House. It does not happen very often, but he had to make his maiden speech in response to what was said by the Speaker in the House. I can remember his maiden speech very, very vividly. It was brief. He said, "If some of you fellows in this House would speak less, you would be here a lot longer." And the next election he was defeated.

Some hon. Members: Oh, oh!

Mr. Dinsdale: The verdict was that he had talked himself out of the House of Commons. I am not going to do that, but with your permission, Madam Speaker, I will now pose a question to the President of the Treasury Board, and I think perhaps he knows the subject matter involved.

• (1425)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

ACTION TO PREVENT STRIKE

Hon. W. G. Dinsdale (Brandon-Souris): Notwithstanding the revolution in communications technology which is now upon us, postal service is still an essential service in Canada, particularly to pensioners, low-income groups, and small businesses which cannot afford the higher costs of electronic communications and courier service. Arising out of the critical stage of current contract negotiations with CUPW I would ask whether the President of the Treasury Board can assure the House that he has taken the necessary steps to ensure that there will be no interruption in postal services at this time.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it is indeed an honour to have the first question from the Dean of the House, and I might say that I am sure all of us enjoyed his remarks. With respect to the question he has posed, clearly in the event of a strike there is bound to be disruption of postal services, but I can assure the hon. member that steps have been taken to ensure that pension cheques and other security type payments will be delivered and that the people of this country, dependent upon that aspect of the service, will be protected.

PLANS TO CONTINUE SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, Canada is on the eve of the establishment of a postal corporation. This policy has been in contemplation since as far back as 1962 when it was first recommended by the Glassco commission report. In light of this very significant development which is supposed to represent a major breakthrough in solving the

on-going labour problems in the Post Office, and because the public is already in a state of panic over the threatened strike, will the President of the Privy Council indicate what plans he has to ensure to the people of Canada that the mails will go through, and also to ensure a happy transition toward a Crown corporation? I think it would be most unfortunate at this time it we had a breakdown in postal services.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I think the question was addressed to me as President of the Treasury Board. I remain very optimistic, and I would like to assure members of the House that every effort will be made to bring these negotiations to a satisfactory conclusion. The parties are at the table; they were at the table yesterday, they were at the table this morning, and they will be back at the table this afternoon. I maintain every hope that a negotiated settlement will be arrived at.

SERVICES OF NEW CROWN CORPORATION PRESIDENT

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, does the government have at this stage of the implementation of the Crown corporation, the postal corporation, the services of the highly reputed new chairman of the postal corporation who is skilful in managerial and negotiating procedures? Are his services available to the government at this time?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the responsibility for negotiations with CUPW, that particular postal union, will remain with the Treasury Board until such time as the Crown corporation is proclaimed and in existence. Accordingly, we are proceeding in the normal way.

I would like to point out to hon. members that there is the odd celebrated dispute, but I believe hon. members will agree that many, many settlements are arrived at without difficulty, and by and large our record in this regard is quite excellent. I have every confidence in the capacity of our negotiators and, as I indicated earlier to the hon. member, I believe this will be brought to a satisfactory conclusion.

● (1430)

RECOMMENDATIONS OF CONCILIATION BOARD CHAIRMAN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question is also to the President of the Treasury Board. The issues involved in the contract bargaining process between the Treasury Board and the Canadian Union of Postal Workers include proposals for 12 statutory holidays, improvements in premium pay for evening and night shifts, stronger health and safety provisions, and four weeks' vacation pay after five years. In light of the fact that the conciliation board recommended adoption of these proposals, could the minister outline the position of the government on these issues and why there is reluctance on the part of the government to accept the recommendations?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first I point out that the recommendations to which the hon. member makes reference are those of the chairman of the conciliation board. As hon. members know, it was not a unanimous report. As far as individual items are concerned, I think it is best that these be left to the negotiators at the negotiation table.

GOVERNMENT POSITION IN NEGOTIATIONS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. If the government is not about to negotiate in a meaningful way with the Canadian Union of Postal Workers, a strike seems almost certain. A postal strike is perhaps the last thing this country needs right now. With the economy of the country in such disarray and the financial burden on almost every segment of the population increasing daily—I am sure the minsiter will agree with that—can the minister tell this House how the government can justify its reluctance to accept the recommendations of the conciliation board when a postal strike would impose severe hardship on the needy, old age pensioners, and small businessmen who cannot afford couriers at $6 a letter and up, and on the millions of other Canadians who rely on the postal service for personal and business transactions?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am sure we all share the concerns expressed by the hon. member, but we do indeed have a responsibility to the people of Canada as taxpayers. Surely the hon. member is not suggesting, on behalf of the Progressive Conservative party, that settlements should be made with public service unions in general, at any cost, in order to avoid the inconvenience which strikes sometimes entail.

Mr. Darling: I didn't say that.

Mr. Johnston: I inferred that from the hon. gentleman's remarks.

However, I would say that these matters have all been taken into consideration. Negotiations are proceeding. I have indicated that mechanisms are in place to ensure the delivery of old age pension cheques and so forth and, as I said, I have every confidence that a negotiated settlement will be reached.

* * *

LABOUR RELATIONS

POSSIBLE DISRUPTION OF GREAT LAKES SHIPPING

Mr. Les Benjamin (Regina West): Madam Speaker, before I direct my questions to the Minister of Labour and the Minister of Transport I want to say that I and my colleagues in this caucus join with Your Honour and the President of the Treasury Board in congratulating the hon. member for Brandon-Souris on his length of service in this chamber. We look

forward to being with him in this chamber for many more years.

I should also say that this is the thirteenth anniversary for the class of 1968.

Some hon. Members: Hear, hear!

Mr. Benjamin: Of the some 96 members elected then for the first time, there are 15 to 20 survivors. Some of the recidivists include the hon. member for Mission-Port Moody, the Solicitor General, and one or two others.

Some hon. Members: Hear, hear!

Mr. Benjamin: Madam Speaker, I would like to direct a question to the Minister of Labour. We are into a summer of discontent and dispute between several unions and their employers on the Great Lakes and St. Lawrence Seaway, which could result in severe damage to the Canadian economy. Would the minister tell the House what measures he is taking to resolve these disputes and to prevent a shutdown of the shipping industry? A major part of the dispute is about safety conditions, all of which could be resolved by the government. Would the minister agree that workers should not have to bargain for safety standards and that the government should take these items off the bargaining table and put those standards in place?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I congratulate the hon. member and the class of '68.

The hon. member's question was quite comprehensive. At the present time there are three collective bargaining renewals—which are at various stages of conciliation—which affect the movement of grain and other goods on the Great Lakes. In two instances conciliation commissioners have been appointed, and in relation to the third one, which involves the Canadian Lake Carriers Association and the Seafarers International Union, I am considering at the present time the possible appointment, as a next step in the conciliation process, of a conciliation commissioner.

The question of what may be bargained is not as simple as outlined by the hon. member, because it is quite obvious that one party to a collective agreement may feel that the safety standards question has been taken care of but another party may make some demands beyond that. There is no question but that the matter of safety conditions in the shipping industry is one which is subject to re-examination at the present time with reference not only to the exact articles but also in relation to where the jurisdiction will lie for the health and safety of workers. However, I believe the essence of the negotiations respecting these contracts involves matters other than those referred to by the hon. member.

EXTENSION OF CANADA LABOUR CODE TO COVER MARINE WORKERS

Mr. Les Benjamin (Regina West): Madam Speaker, the minister may feel that one side thinks safety is adequate, but the other side does not. I remind him that eleven seafarers have lost their lives since the last contract. At least three, and possibly eight, would be alive today had the union's safety proposals been in effect. As I have said before, the government could solve all eight safety problems. Would the Minister of Labour solve four of those under his jurisdiction by extending the safety protection of the Canada Labour Code to these workers? Would he tell us why marine workers should be left to sink or swim and be denied the same protection being given to other workers under federal jurisdiction?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member will be aware that in the various federal departments there have been, for many years, some 16 different statutes which deal with health and safety in the workplace with reference to different types of undertakings in the country. That is quite aside from the question of employment which falls under provincial jurisdiction.

In relation to the shipping industry, because of the fact that at the time of its passage the federal labour code was made subject to the provisions of other existing federal statutes with respect to safety conditions, that means that the CTC and the Department of Transport still are major factors in relation to safety and health conditions on the ships themselves. This is a matter which is under review and a matter on which there would have to be a governmental, rather than a departmental, decision.

Mr. Benjamin: Madam Speaker, this is a running away from the issue if I ever heard it.

ENFORCEMENT OF CANADA SHIPPING ACT

Mr. Les Benjamin (Regina West): Madam Speaker, may I turn to the Minister of Transport and direct a supplementary question to him, because he could resolve the other four safety issues in dispute between the Seafarers Union and the ship owners. The seamen want water walls as a place of refuge from fire. That is not unreasonable. They want survival suits made mandatory. They want the companies to provide bilingual safety information.

Will the minister issue regulations, which he has the authority to do, to cover these items, and will he enforce the Canada Shipping Act? Will he also assure this House that his department will not put up any roadblocks to prevent the Minister of Labour from extending the safety protection of the Canada Labour Code to marine workers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is obvious that my colleague was very careful in answering the questions, and I intend to do the same.

An hon. Member: Why?

Mr. Pepin: Why? Because negotiations are under way, and they have reached a very delicate point. However, one thing seems sure to me, and I would like to try to make it clear, that it might be unwise to conduct discussions on regulations for

safety in general at the same time as negotiations on a labour agreement. That would be very unwise.

I just want to say that during these negotiations I made sure the marine administrator of my department was providing information to both sides as to the progress being made on the three or four points mentioned by the hon. member. For example, there has been progress on survival suits. Standards have been developed by the department. There is a manufacturer offering them now. Progress has been made, and that progress has been communicated to both sides.

* * *

• (1440)

CORPORATE AFFAIRS

RCMP INVESTIGATION OF DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of Justice. Last Tuesday I questioned his colleague, the Minister of Consumer and Corporate Affairs, about a serious leak that occurred in his department in 1978, and a subsequent investigation by the RCMP which was instigated by the Attorney General's office. The minister first denied any knowledge of the affair at all. Having said that, he said the matter is before the courts. Then, with righteous indignation, he accused me of making false allegations before the House, for which he should apologize to both me and the House.

Yesterday, superintendent Bentham of the RCMP confirmed an investigation is taking place; the matter is not before the courts. My question to the Minister of Justice is: when did he or his officials initiate the investigation and did he inform his colleague, the Minister of Consumer and Corporate Affairs, and if so, when?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, indeed, on January 14, 1981, there was an investigation in a case. It is a special case and the investigation is still going on.

QUERY RESPECTING LEVEL OF ALLEGED LEAK

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. It has now been confirmed there is indeed an investigation going on by the RCMP into his department concerning an alleged leak. The answers he gave me in the House on Tuesday were hogwash. He knows now what the situation is, just as I suspected he did then. My question is: at what level did the leak occur, departmental or ministerial?

Mr. Lalonde: From you.

Mr. Corbett: The second part of my question is: since Mr. Bertrand was relieved of his position by this government after the business of the uranium cartel was brought before the House, after the business of the oil rip-off was brought before the House, and now this business of a leak from within his department, will he instigate a special parliamentary inquiry bringing Mr. Bertrand before it to answer the obviously unanswered questions?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, clearly the hon. member has obtained some information from a constituent and uses his privilege as a member to create doubt and uncertainty with a series of questions. The fact that there are ongoing investigations should not be emphasized in this House, since it might impede the orderly conduct of such investigations. If the hon. member is responsible, Madam Speaker, he will understand that we cannot answer, either to confirm or deny that investigations are going on, otherwise they would become pointless. However, I find the hon. member's questions unfortunate and unacceptable.

[*English*]

RAIDS ON THOMSON NEWSPAPER OFFICES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Consumer and Corporate Affairs has now had his attention formally drawn to this question in the House. He has had an opportunity to look into the matter himself. Will he tell this House whether, to his knowledge, there is any evidence that any officials of the Thomson Group had advance knowledge of raids by combines investigation officers on any of the offices of the Thomson Group?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, this is currently under investigation, and I feel it is unadvisable and rather useless and irresponsible on the part of the Leader of the Official Opposition to try to elicit information, when it is clear that the police are investigating. The Leader of the Official Opposition should let the police conduct their investigation and he will get answers later. In my view, his attitude can hinder the RCMP in completing their investigation.

[*English*]

ACTION TO PREVENT FUTURE LEAKS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we have a situation here where, by the minister's own admission in this House, a late admission, there has been the possibility of a leak by combines investigation officials to officials of the Thomson Group, giving advance warning of a raid. He says that matter is now under investigation by the RCMP.

Can he tell us, as the responsible minister, whether he has taken any action to ensure there is no continuation of leaks in his department in relation to this or any other investigation?

Has he satisfied himself as to the source of the leak, or is he trying to fob it all off on the RCMP?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would like to know if the Leader of the Opposition has satisfied himself that no one in his party is leaking information concerning himself and his precarious leadership.

Some hon. Members: Oh, oh!

An hon. Member: Call a judge.

Mr. Lawrence: Boy, you are not leaking; you are bleeding.

EXERCISE OF MINISTERIAL RESPONSIBILITY

Right Hon. Joe Clark (Leader of the Opposition): I am not sure, Madam Speaker, why this minister, who has presided over the uranium cartel inquiry which has not been made public, who has presided over the departure of the Director of the Combines Investigation Branch, refuses to tell this House whether he has done his duty as the minister responsible for combines investigation activities in this country to see if there is a continuing danger of companies which might be subject to investigation by his branch being advised in advance of those raids. That is very much a question of public policy and the responsibility of the minister. He cannot shed that responsibility simply by trading insults across the floor of this House or by passing off his responsibilities to the RCMP.

He has a responsibility as minister to this House. Has he exercised it, has he determined whether or not there was a leak, and is he taking any action to ensure there are no subsequent leaks which would frustrate the operations of the Combines Investigation Branch?

Some hon. Members: Hear, hear!

An hon. Member: Give us another flippant answer.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I will answer very briefly to the long and nebulous comments of the Leader of the Official Opposition. I am aware of my responsibilities and I discharge them.

* * *

[*English*]

INDUSTRY

TASK FORCE REPORT ON MAJOR CAPITAL PROJECTS—GOVERNMENT POSITION

Mr. Peter Lang (Kitchener): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. The minister has acknowledged the importance to our long-term economic strategy of the report of the task force on major capital projects in Canada to the year 2000. Could the minister outline what steps he intends to take to facilitate government co-operation with leaders of Canadian business and labour, in terms of a written response to the recommendations of this important report?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are proceeding immediately to form an appropriate interdepartmental group, led by myself and the Minister of Employment and Immigration, and working with other ministers, to begin not only analysing the report but developing a response which we hope to work out very soon with the provinces and the private sector. The report shows a remarkable degree of consensus on the part of both business and labour as to the steps we should be taking to maximize for Canadians the benefits from major projects in this country. I think we have to take that report very seriously, and I can assure the House that will be the approach of this government.

* * *

● (1450)

CONSUMER AFFAIRS

UREA FORMALDEHYDE HEALTH HAZARDS—HEARINGS CONDUCTED BY REVIEW BOARD

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is also to the Minister of Consumer and Corporate Affairs regarding his responsibilities. On June 29 the board of review concerned with urea formaldehyde foam insulation will hear submissions from industry and other interested parties. I believe the deadline for those appearing is tomorrow. Since this hearing seems to be only in the interest of the industry which, like the government, is trying to downplay the health hazards of this foam, will the minister guarantee that the board will tour Canada and be available to local areas to hear from consumers on this very urgent matter?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the hon. member has made an interesting suggestion which I will bring to the attention of the chairman of the review board. I understand that steps are being taken to hold hearings in other parts of Canada, not only in Ottawa. I am sure the chairman will receive the representations of the hon. member.

FUNDS FOR REMOVAL OF FOAM INSULATION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is for the same minister. The National Research Council has substantiated that the health hazards from urea formaldehyde gas increase as the foam disintegrates and as it is exposed to heat and moisture. Therefore it would seem that the results of tests which are done today will not be relevant a month from now. Why, then, is the government investing $5 million in irrelevant testing and surveys, when instead it could use this $5 million to assist home owners remove this foam which has proven to be a health hazard? This is the only real remedy to the situation.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I think the hon. member is jumping to conclusions. In my opinion, it would be wiser to wait for the test results. I remind the hon. member that there are to be three types of tests, done on different dates in order to get a more accurate reading and a better idea of the problem. Also, the review board, which will hold hearings this summer, will no doubt come up with findings which we will have to take into consideration. I would therefore suggest that the hon. member wait for these results before drawing such conclusions.

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[*English*]

HOUSING

HOME INSULATION TESTING PROGRAM

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is for the minister responsible for Canada Mortgage and Housing Corporation. It has to do with the subject raised by the hon. member for Vancouver East.

Not only does the testing of urea formaldehyde foam vary from time to time but it varies from home to home. Inasmuch as many people are suffering financial and health hardships as a result of this situation, and since the Ontario government has now recognized its responsibility to test all homes in which this foam has been installed to ascertain if there are dangerous situations house to house, will the minister undertake to try to influence his colleagues to establish the same kind of testing right across the country, to be conducted by the government which is generally responsible for the problem in the first place due to faulty testing in advance and an endorsement under the CHIP program?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I believe my colleague, the Minister of Consumer and Corporate Affairs, has answered the hon. member's question.

REQUEST THAT MINISTER ATTEND SCARBOROUGH MEETING

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, is the minister aware that tonight in Scarborough town centre, the minister's own riding, there will be a meeting of the UFFI home owners from around the Toronto area and southern Ontario? Will the minister undertake to attend that meeting, which he has not done up to now, and hear the complaints and hardships being experienced by these people? Will he try to have a little compassion for the serious plight these people face, and will he face up to this serious problem so that he can influence his colleagues in cabinet to come up with a real solution and not a cheapie, mickey mouse solution which he has suggested?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would like to correct the hon. member. In fact the meeting tonight is the second of such meetings. I did have a representative attend the first meeting. I was in my constituency office yesterday and received representations on this subject. I am aware of the problems and I am sympathetic toward them.

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IMMIGRATION

PLEA TO ADMIT GREATER NUMBER OF POLISH REFUGEES

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is for the Minister of Employment and Immigration but in his absence I would put it to the Deputy Prime Minister. Austria has a proud record of handling refugees and people exiled from eastern Europe. There are 7,500 surplus people from Poland presently in Austria. I understand that both the Canadian and American quotas have almost been filled. Will the Deputy Prime Minister bring to the attention of the Minister of Employment and Immigration the fact that usually there is a contingency number which can be used to add on the numbers we are prepared to accept in the form of designated people, or refugees? Will the Deputy Prime Minister ask the Minister of Employment and Immigration to see if more people from Poland could be taken off the hands of Austria which has handled these refugees at great expense to its taxpayers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member will be aware, under the current refugee program it is estimated that about 4,000 east Europeans will be admitted to Canada, and a substantial proportion of these, about 1,100, will be processed through the Canadian embassy in Vienna. I should also add that next month additional officers will be sent to Vienna to facilitate the processing of these potential refugees. The target is 4,000, but it may be possible to add additional refugees in the course of the year if circumstances justify that course.

* * *

NATIONAL REVENUE

ACTION TAKEN BY DEPARTMENT AGAINST TARSANDS MACHINE & WELDING CO. LTD., FORT McMURRAY, ALTA.

Mr. Jack Shields (Athabasca): Madam Speaker, in the absence of the Minister of National Revenue my question is for the Minister of Finance. Two weeks ago officials from the Department of National Revenue filed a third party action against Tarsands Machine & Welding without any discussion whatsoever with the directors or the president of the company. This action forced the Royal Bank to place the company into receivership, and it has since gone into bankruptcy. This company is the third largest employer in Fort McMurray, employing 350 people.

At the time the company closed it had approximately $5 million in receivables, a payroll of $350,000, which has not been met, and payables of between $1.7 million and $2 million. Will the Minister of Finance appoint officials from his department to go to Tarsands Machine & Welding in order to give it the same consideration which has been given to Massey-Ferguson and Chrysler in the past, since this company is experiencing a cash flow problem at this time?

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I will gladly convey the hon. member's representations to the Minister of National Revenue, who could not be here today.

[*English*]

REQUEST FOR GOVERNMENT CO-OPERATION

Mr. Jack Shields (Athabasca): Madam Speaker, I again address my question to the Minister of Finance. I would like to draw to the attention of the minister that these representations have been made to the Minister of National Revenue. The Department of National Revenue seems hell bent for election that it is going to make this third party action stick though it appears that by taking court action in Alberta, which has forced this situation, this will prevent the department from receiving one cent in arrears since the bank has first claim. Will the minister direct officials from his department to sit down with Tarsands Machine & Welding and the receiver in bankruptcy in order to work out a solution which would allow this company to remain viable? The trustee receiver has stated to me very emphatically that this company could survive if it had the co-operation of the government. That is all it needs.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am sure that if the hon. member has already made representations to the Minister of National Revenue, the latter is working assiduously to resolve the problem which has been identified.

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ROYAL CANADIAN MOUNTED POLICE

COST OF MOVING "E" DIVISION FROM VICTORIA TO VANCOUVER

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Solicitor General. On May 18, 1981, at a meeting of the Standing Committee on Justice and Legal Affairs I asked the Solicitor General what the total cost would be if the RCMP "E" Division moved from Victoria to Vancouver. The Solicitor General replied, "I do not have the figures here but I will produce them." More than one month has passed since the minister made that promise and I am still waiting for his answer. Will he tell the House when we can expect him to produce the figures?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am expecting to review some figures on that subject with the RCMP at a regular weekly meeting which I will hold with them tomorrow. Perhaps after that meeting I will be able to make the information public.

• (1500)

CONFIDENTIALITY OF FIGURES

Hon. Allan B. McKinnon (Victoria): I am more interested in the figures on which the minister made his decision to move them, not on some figures which may crop up tomorrow or any time in the future. I find it very strange that when I asked for the production of papers covering that move, the Solicitor General was unable to supply us with the papers and the figures which I requested and now he seems quite willing to do so. Why was it that those figures were confidential last week, but it appears that they will not be confidential next week?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my main interest was in providing a basis for excellent policing for the province of British Columbia. It was on the basis of good policing that the decision was made to move the headquarters in that province from Victoria to Vancouver. Of course there are costs associated with it. We are aware of the costs, but they had not been put together in the kind of report which I have asked the force to prepare, and which I hope to be able to make public shortly.

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CANADIAN BROADCASTING CORPORATION

COVERAGE OF ECONOMIC SUMMIT MEETINGS IN JULY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Communications. Yesterday we learned from Murray Chercover, the president of CTV, that CTV intends to replace CBC as host broadcaster for the economic summit.

Some hon. Members: Hear, hear!

Mr. Rose: While the Conservatives applaud, I might remind them that this move clearly constitutes grounds for action under section 184(3)(c) of the Canada Labour Code regarding the right to refuse struck work. I think it would be the same situation as if, during a postal strike—if there should be one—the government contracted that work out to Loomis or Pink Lady.

Some hon. Members: Hear, hear!

Mr. Rose: Nevertheless, I would like to ask the minister if he will assure the House that everything will be done in his power to have CBC remain responsible as host broadcaster, since a good deal of money has already been invested by CBC. Will he put pressure on CBC management to resolve this problem with NABET so that this job can be done by the CBC? If not, why not?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I had the opportunity of speaking with the president of CBC this morning. He informed me that negotiations with NABET were ongoing this afternoon in Toronto. As far as the question of asking the CBC to remain as host broadcaster is concerned, CBC approached NABET last week to ask them to give guarantees that, if the CBC remained as host broadcaster, NABET would co-operate and allow the CBC to act as host broadcaster. These guarantees were not forthcoming from NABET.

REQUEST THAT MINISTER MEET WITH UNION

Mr. Mark Rose (Mission-Port Moody): The minister has already had meetings with CBC management to hear CBC's side of the story. In fact reliable sources allege that the Prime Minister's office, the PMO, even discussed strike-breaking contingency plans with the CTV a week ago. Will the minister now assure us that he will immediately take up the CBC-NABET invitation, to meet with NABET immediately, so that the minister and the rest of us will finally understand what is going on for a change?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, on this side of the House we believe that we know, indeed, what is going on. I would like to—

Some hon. Members: Oh, oh!

Mr. Fox: I would like to inform the hon. member that I have asked my office to be in touch with NABET, and that my expectations are that I will be meeting with them at 9 a.m. tomorrow.

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ROYAL CANADIAN MOUNTED POLICE

LEGAL AID TO PRESENT AND FORMER MEMBERS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Solicitor General. It relates to the charges against certain members of the Royal Canadian Mounted Police arising out of the proceedings of the Keable Commission. The minister is reported to have said in the *Citizen* of June 15, 1981, that:

> —his department is prepared to provide legal assistance to those charged, in line with a long-established practice in such cases.

That refers to legal assistance to members of the Royal Canadian Mounted Police who may be charged.

I want to ask the minister how far does that extend. Does it extend to former members of the Royal Canadian Mounted Police who are no longer members? Will it extend, as well, to former members of the Royal Canadian Mounted Police who may have been discharged, but who, during the course of their employment with the Royal Canadian Mounted Police, were involved in matters which have led to charges or may lead to charges against them?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the question relates to an internal policy of the RCMP which provides, in general, that members may be granted legal counsel at public expense if they are charged with the commission of offences in the course of their duties. The very specific questions which have been asked are not necessarily covered by the detail of the policy as I have stated it. Obviously some of the situations which the hon. member may be contemplating will require a specific decision to be made within the force.

To trigger this mechanism, a member of the force makes a request to the commissioner. No requests, of which I am aware, have been made, as yet, in connection with the Keable matters. We want to be fair, and I will be expecting to review the decisions that the commissioner makes in this regard as requests come along to see whether the policy which is now in effect is, indeed, adequate.

GOVERNMENT POSITION

Hon. Walter Baker (Nepean-Carleton): It was a question of the adequacy that led to my question in the House. The minister, as a minister of the Crown, reports to the House for the Royal Canadian Mounted Police, and speaks for the government with respect to them and the policy which ought to relate to them.

Would the minister assure the House that he will advise those who are in charge of establishing the internal policy in the Royal Canadian Mounted Police that it is the wish of the government that all members of the Royal Canadian Mounted Police, including members who were discharged but were involved in matters which have arisen in the course of their duty and have resulted in charges as a result of the Keable Inquiry will, in fact, be covered by that policy, and that, indeed, that is the position that the Government of Canada is taking? I was asking the Solicitor General that question in his capacity as a minister of the Crown.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not prepared to say that yet. I feel that the decision should be made on a case by case basis, and not in the blanket way which the hon. member suggests. Each member or former member of the force is free to make an application to the commissioner. I have stated the policy. I am prepared to make public the policy statement in its present form. I think that as each case is reviewed by the commissioner, I will watch, and I know other hon. members will watch with interest to ensure that the government does do the right thing by members and former members of the force.

Oral Questions

AGRICULTURE

HERD MAINTENANCE PROGRAM—REVIEW OF FILES REPORTED TO BE SEALED IN REGINA

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to direct my question through Your Honour to the Minister of Agriculture, regarding the compensation payments for herd maintenance which were supposedly to be out approximately two and one-half months ago.

It is my understanding that there are 1,100 files which were rejected for herd maintenance, sealed in Regina, to which the review board and the cabinet review will not have access. I would like to ask the minister why these 1,100 files will not be reviewed. I understand they were turned down because of the yield which was put on the numbers on those files. I would also like to warn the minister that the hon. member for Medicine Hat will have a question regarding the same thing.

Hon. E. F. Whelan (Minister of Agriculture): I should make it understood to the hon. member through Your Honour that the herd maintenance program does not come under the directorship of the Ministry of Agriculture or the Minister of Agriculture. It comes under the minister in charge of DREE. I am sure the hon. member realizes that. We do have some input. I have not heard the accusations, or I have no evidence, and I have not previously heard what he has said, about 1,100 appeals, I believe, or applications being locked up some place. I will certainly make some inquiries of my colleagues and see what we can find out. However, if I understand correctly, there are about 3,400 applications which have been sent to Ottawa. They are being looked at. We had a meeting a week or so ago about them. We hope to be able to finalize them in the next few days.

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GRAIN

COMPENSATION TO FARMERS FOR EMBARGO ON SHIPMENTS TO RUSSIA—EXCLUSION OF OIL SEED PRODUCERS

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Agriculture and deals with the compensation payments arising out of the Soviet embargo, particularly as it relates to the payment, or non-payment, for compensation as a result of losses which occurred in the oil seed sector. Could the minister explain to the House and to the oil seed producers of Canada why oil seeds were not included as being eligible for compensation payments under the Soviet embargo compensation payment program?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, to give the hon. member a detailed answer may take longer than necessary. The working model which we use is one of the best in the world. We even had our people go down to the United States to study it. Their people came to Ottawa to show our officials how this model worked, using all price changes and everything that may effect the price of the commodity. Under some of the most capable people in the departments concerned, led by Dr. Stu Borland from my department, we did everything we could to try to make a payment available to them. Actually, the prices showed an increase at that time and a larger amount of sales to the U.S.S.R. than at normal market time.

● (1510)

FACTORS INVOLVED IN DECIDING AMOUNT OF COMPENSATION

Hon. Don Mazankowski (Vegreville): Madam Speaker, the minister should know, first of all, that there is a direct relationship between feed grains and oil seeds because both are used for animal feeds. The minister should also know that, according to the government policy statement, payments were made not on the loss of sales but on the price of these commodities, and the price of rapeseed, canola-seed, had dropped very dramatically during that period. Given those factors, surely the minister cannot stand in his place and rely upon the Americans to make that value judgment. Surely that decision could be made right here in this country.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Americans did not make any judgment whatsoever. We just used the working model. We used the system that they used which is considered to be the best in the world. It was developed in the state of Missouri. If the hon. member would like, we can make arrangements for members to have Dr. Borland's group present the facts the way they were presented to us, showing how they studied the markets at that time—all aspects of markets, everything that had an effect on it. There is nothing that the Minister of Agriculture would like to be able to do more than hand out some more money to farmers, but there is no way that I could do it from that fund.

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CANADA LABOUR CODE

VALIDITY OF REGULATIONS APPLIED IN CONFORMITY WITH ONTARIO LEGISLATION

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the minister of Labour. Last July 17 the government passed regulations under Part IV of the Canada Labour Standards Code to implement the provisions of the Ontario Occupational Health and Safety Act, and regulations for employees working under federal jurisdiction, such as uranium miners. The validity of these regulations was questioned by the Burkett Commission on Mine Safety which suggested that the matter be referred to the Supreme Court. Can the minister tell the House whether the government plans to refer this matter to the Supreme Court?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the Department of Justice has recently reaffirmed its earlier opinion that the referencing of the Ontario Occupational Health and Safety Act under Part IV of our code is valid and is in force. The government has no plans to refer the matter to the Supreme Court, as a consequence.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, we all know that tomorrow is designated as the last allotted day. I wonder if the government House leader could indicate to us his intention with respect to the business for today and into next week?

Mr. Pinard: Madam Speaker, today we will be studying third reading stage of Bill C-13 and then, I hope, the three stages of the two following bills, C-65 and C-68. Tomorrow, as my hon. colleague indicated, will be the last allotted day. We have had consultations and have agreed to the following. If I may, before I talk about the business for next week, I would settle that question by moving the following motion:

That, notwithstanding any Standing Order, if any division is required on any motion relating to the business of supply on June 26, 1981, the division or divisions shall be deferred until 3.00 p.m. on June 30, 1981 and, at that time, the Speaker shall put forthwith and successively, without debate or amendment, every question necessary to dispose of any item of business relating to Main Estimates and Supplementary Estimates, any opposed item in the Estimates and for the passage at all stages of any bill or bills based thereon.

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been discussions and we are agreeable.

Mr. Knowles: Agreed.

Madam Speaker: The House has heard the terms of the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

Motion agreed to.

[*Translation*]

Mr. Pinard: Concerning House business for next week, Madam Speaker, on Monday we will bring before the House the three following bills: First, Bill C-37, to designate the first day of July as Canada Day, then Bill C-67 concerning the Adult Occupational Training Act and, if we have time, Bill C-53, to amend the Criminal Code in relation to sexual offences.

Hon. members know that Wednesday is Canada Day and therefore the House will not sit. On Tuesday and for the rest of the week, the House will study the legislation required to implement the various programs described in the estimates and which were listed in your recent ruling, Madam Speaker. Essentially, that is the House business for next week.

[*English*]

Mr. Baker (Nepean-Carleton): Two questions arise, Madam Speaker. There is not very much legislation for today. Has the government House leader given any thought to what we might do if the business that he has outlined for today is completed? Does he have some back-up legislation for today?

Mr. Pinard: Yes, Madam Speaker. I am very happy to hear my colleague indicate that we will make serious progress today. I appreciate that very much.

We will resume debate on the bills on which we have already started debate, namely, the second reading of Bill C-58 followed by Bill S-6 and by Bill C-12. If we have time to deal with those three bills today I will be around and will be glad to designate other items of business for my colleague.

Mr. Baker (Nepean-Carleton): Madam Speaker, in the statement of just a few moments ago the President of the Privy Council mentioned legislation to handle matters in the Estimates that Your Honour had ruled out of order. Has the government made any decision with respect to how it will handle this legislation? I am talking about the form that the legislation will take when it reaches the House.

[*Translation*]

Mr. Pinard: Madam Speaker, the House leaders had an interesting discussion this morning and that subject did come up. It is only later this afternoon that we will have an opportunity in cabinet to make a final decision about the type of legislation. There are two options: first, that it be an omnibus bill or, second, that the bill be split into several separate bills. Should we favour the second option, it has been agreed that the House would very quickly dispose of each of those bills.

I will not elaborate on the tentative agreement, but I think that as early as tomorrow, when the decision will be known, we will be able to draft an order of the House confirming that agreement so that next week we will be able to study the legislation concerned in a very orderly manner. I say "legislation" because at this very moment it has not yet been decided, of course, whether it will be introduced as a single omnibus bill or as six or seven separate bills. I want to point out, however, that the suggestions made to me by the Progressive Conservative House leader and the New Democratic Party House leader that the bill be split into several separate bills with the understanding that there would be a very short debate on each of them at all stages does appear to me as a very constructive approach. I will take it under very serious consideration this afternoon.

[*English*]

Mr. Knowles: Madam Speaker, first, may I confirm that if the cabinet decides this afternoon to deal with those estimates that were ruled out of order by means of several bills, we are prepared to join in an agreement that each bill be dealt with on the basis of one speaker per party, and perchance even to reduce the length of that speaker's remarks.

I may add, Madam Speaker, that between what the government House leader has told us now and the discussions we have had at House leaders' meetings, we have a fairly complete picture of what the government wants the House to deal with before we rise for a possible summer break, except that he has omitted one item. As the minister knows, both the opposi-

tion House leader and I have been able to give him a commitment that on the bill to correct the oversight in last summer's Bill C-40 regarding veterans' widows, we are prepared to deal with it expeditiously on the basis of one speaker per party.

I wonder if the minister can tell us when he plans to bring that legislation forward so that it can be passed for the benefit of 15,000 or 20,000 veterans' widows?

[*Translation*]

Mr. Pinard: Madam Speaker, the bill referred to by the hon. member is fundamental and very important, and there are several others which are or are not on the Order Paper and for which we would welcome the same kind of agreement. Still, with respect to the bill over which the hon. member shows concern, I want to assure him the cabinet is studying the question very seriously and at the end of next week at the latest, I hope to be in a position to give notice of our intention to introduce such a bill in the House before the summer recess.

* * *

● (1520)

[*English*]

POINT OF ORDER

MR. ANDRE—PROPRIETY OF SUPPLEMENTARY ESTIMATES (A)—RULING BY MADAM SPEAKER

Madam Speaker: Would the House give me permission to make a ruling although the hon. member for Calgary Centre (Mr. Andre) is not here? Is that agreeable to the opposition House leader?

Mr. Baker (Nepean-Carleton): Yes, Madam Speaker.

Madam Speaker: I want to rule on the matter raised by the hon. member for Calgary Centre about Supplementary Estimates (A) 1981-1982, which were tabled on June 3 last. These estimates contain but one item, vote 20a, Energy, Mines and Resources.

What is interesting is that the hon. member in his intervention does not complain about that item, and probably with good reason because that item, vote 20a, fulfils to the letter the requirement of an estimate or vote; that is to say, it seeks approval to spend, and cites the legislative authority on which the request is based. Rather the hon. member's point of order relates to, and I believe for the first time, the description or information concerning a statutory item that accompanies Vote 20a in these Supplementary Estimates (A).

The hon. member objects that it is not in order for the estimates to contain information on government revenues because they should relate only to expenditures. As a second reason he says, in effect, that the statutory item is irrelevant to the item to be voted and therefore, while it is not only improper to show any offsetting revenue, it is aggravated because the revenue shown has no relation to the expenditure. Finally, he alleges that the statutory item anticipates legislation that will establish a fund at some time in the future and at this moment in time has no basis in law.

In reply, the President of the Treasury Board (Mr. Johnston) agrees that the fund in question is yet to be established but adds that this netting or offsetting of revenue shown will not occur until that fund is supported by legislation. For the moment its purpose is simply to convey information.

While the arguments here are very technical, the real issue is the question of the form in which the government prepares the Blue Book of Estimates for submission and tabling in the House of Commons. Members will appreciate that the form of the Estimates has been the subject of debate for many years and I expect that will continue. As I understand it, changes have been taking place over the years as a result of recommendations from many quarters, including the Standing Committee on Public Accounts. But this is an ongoing matter of public debate and not for the Chair to decide.

Therefore, while the hon. member has submitted very interesting arguments, and while the Chair will continue to rule on the propriety of votable items, I must rule that the matter raised by the hon. member does not constitute a valid point of order.

* * *

HOUSE OF COMMONS

TRIBUTE TO MR. DINSDALE, DEAN OF THE HOUSE, ON THIRTY YEARS OF SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I have a correction to make to *Hansard*. It concerns the kind remarks that you made at the opening of today's session. You attributed to my record the career of alderman, mayor and MLA. I wish to inform Your Honour that that is the record of my father. Between the two of us we have 50 years of public service. Next year Brandon will be celebrating its centennial.

Madam Speaker: I can see there are many distinguished members in your family.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions be will be answered today: Nos. 853, 1,283, 2,352 and 2,441.

[*Text*]

AHOP—REPOSSESSIONS

Question No. 853—**Mr. Stewart:**

1. Since its inception, how many homes were purchased under the Assisted Home Ownership Plan (AHOP) in the constituency of Simcoe South and what was the total value?

2. For the same period (a) how many homes have been re-possessed by the government (b) how many owners have filed quit claims, signed units over to the mortgage holder or walked away from their investment and what was the total value?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows:

1. CMHC does not record data on a constituency basis. However, during the period 1973 to 1978 approximately 530 AHOP units were approved in the Simcoe South area, the vast majority being in the city of Barrie. The total value is approximately $15,900,000.

2. In the CMHC Barrie office area which includes the counties of Grey, Bruce, Simcoe and Muskoka district, 1,541 AHOP units were approved. Of these, 235 units had been repossessed by CMHC. Information on the number of quit claims received or the total value of the repossessions is not available.

ENTERPRISE DEVELOPMENT PROGRAM

Question No. 1,283—**Mr. Herbert:**

In each of the past five years, what amount was contributed to the Enterprise Development Program (EDP) fund and, by how much per cent, did the annual contribution change in constant dollars?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned:

	Expenditure	1973/74 Dollars*	Per cent change from previous year
1975/76	28.2 million	22.0	
1976/77	26.9 million	19.2	− 12.72
1977/78	34.0 million	22.7	+ 18.23
1978/79	20.6 million	12.9	− 43.17
1979/80	38.5 million	22.0	+ 70.54

* Using the implicit price index for the gross national expenditure published by Statistics Canada, the above values have been computed in terms of the F.Y. 1973/74 dollar.

IMPORT OF JAPANESE AUTOMOBILES

Question No. 2,352—**Mr. Herbert:**

1. To the knowledge of the government, does France restrict Japanese imports of automobiles to three per cent of its car market?

2. In the past three years, what percentage of the Canadian car market was held by Japanese automobile imports?

3. What is the estimated number of man-years of employment created by the manufacture of 1,000 automobiles in Canada?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Industry, Trade and Commerce and Statistics Canada as follows:

1. There is no quota on the importation of Japanese cars into France but there is an informal arrangement which limits the market share of Japanese cars to 3 per cent.

2. In the past three years, the following percentage of the total Canadian passenger car market was held by Japanese passenger car imports:

1978—11.4 per cent

1979—8.0 per cent

1980—14.8 per cent

1981—(2 months)—20.2 per cent.

3. No cars are wholly manufactured in Canada. Extensive use is made of imported components.

The 1979 statistics for motor vehicle manufacturers, show that 39,008 person-years were used in the production (assembly) of 1,586,238 vehicles, of which 960,614 were automobiles, 615,326 were trucks and 10,298 were buses. The employment figures cannot be allocated by type of vehicle.

Based on these data, the average number of person-years used in the production (assembly) or 1,000 vehicles was 24.6, in 1979. Productivity in the automotive industry does vary considerably by volume of production run and is therefore significantly influenced by the size and type of automobile.

In addition to employment in the actual production (assembly) of vehicles, there is significant employment associated with the manufacture of automotive parts and components as well as with the manufacture of products such as steel, aluminum, glass, rubber, plastics, etc., which go into the components themselves.

The total impact on the suppliers industries including parts manufacturers, material suppliers, etc. brings the total person-years to about a maximum of 150.

DEPARTMENTAL QUALITY PROGRAM EVALUATIONS

Question No. 2,441—**Mr. Herbert:**

Which departments have the basic capacity to conduct quality program evaluations and which departments are expected to be added to the list during the next year?

Hon. Donald J. Johnston (President of the Treasury Board): 1. At present the office of the Comptroller General, program evaluation branch is working with over 30 departments. In order for these departments to meet the OCG expectations, they must have a DM approved organization, a departmental program evaluation policy and an approved program evaluation plan. As of March 30, 1981, a total of 14 departments have all three requirements. These are: Agriculture, Customs and Excise, Fisheries and Oceans, Environment Canada, Veterans Affairs, Energy, Mines and Resources, External Affairs, Indian and Northern Development, Industry, Trade and Commerce, Labour Canada, Ministry of Transport,

National Health and Welfare, Correctional Services Canada and Taxation.

2. It should be noted that as of March, 1981, 20 program evaluation plans had been approved by the deputy ministers while four more departments had draft program evaluation plans.

3. In terms of these departments with which the office of the Comptroller General maintains active liaison, it is estimated that at least 12 additional departments will have the basic capacity necessary to produce quality evaluations by March, 1982. These are: Consumer and Corporate Affairs, Canadian International Development Agency, Public Works Canada, Department of Regional Economic Expansion, Department of Supply and Services, both the Supply and Services Administrations, Employment and Immigration, Justice, National Museums, RCMP, Secretary of State, Statistics Canada.

4. Other departments and agencies may have the basic capacity for evaluation. To enhance its over-all effectiveness, the program evaluation branch at present maintains active liaison only with the larger departments, accordingly it may not be aware of the state of development in all agencies.

5. During the past two years, the office has emphasized the establishment of the evaluation function in departments. Now that the function is in place in most major departments, our emphasis is being redirected to ensuring that the quality of the evaluation studies is improved. This will require professional development of those officers already in the program evaluation units in departments and reallocating skilled staff from other functions.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if Question No. 1,550 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 1,550 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

SOVIET DIPLOMATS—TRAVEL RESTRICTIONS

Question No. 1,550—**Mr. Cossitt:**

With reference to the answer to Question No. 31, what were the dates applied to each trip made by a Soviet diplomat beyond the established limits from Ottawa?

Return tabled.

[*Translation*]

Mr. Collenette: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ECONOMIC COUNCIL OF CANADA ACT

RELOCATION OF GOVERNMENT AGENCIES

Hon. Paul J. Cosgrove (Minister of Public Works) moved that Bill C-13, respecting the relocation of government agencies, as reported (without amendments) from the Standing Committee of Miscellaneous Estimates, be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time?

Mr. Baker (Nepean-Carleton): Madam Speaker, I had understood that the hon. Minister of Public Works (Mr. Cosgrove) was going to make a statement on third reading. I had actually asked him about that, and he did indicate that he would.

Madam Speaker: I understand the minister will make a statement on third reading.

When shall the bill be read the third time?

Some hon. Members: By leave, now.

Mr. Cosgrove moved that the bill be read the third time and do pass.

He said: Mr. Speaker, on previous occasions when speaking to this bill before the House I indicated that, in view of its long history before the House, the bill was one of a housekeeping nature rather than one of substance. In fact, the legislation really conforms with the physical facts that pertain and are in existence. In other words, those head offices—for example, the Economic Council of Canada, Indian Affairs and Northern Development, the Canadian Transport Commission and the Public Archives—which were transferred to Vanier and Hull in recent years are not now in accordance with the technical legislation giving them their jurisdiction in the first place. Accordingly, the bill moves to put the legislation in accord with the actual physical location of these boards and commissions.

In addition to that, the Department of Veterans Affairs, the Pension Commission and the Pension Review Board are operating in Charlottetown, Prince Edward Island, and that is not

in accord with the technical introductory provisions of the legislation giving rise to the jurisdiction exercised by those agencies.

I took the position that this bill was housekeeping. In fact, the legislation has been before the House, not only as legislation emanating from this government, but it was introduced by the former Conservative government through Bill C-22.

To refresh hon. members' recollection of the bill, I want to say a few words about it. The bill affects those departments or agencies which are subject by statutory requirements to having their head offices and to performing in the city of Ottawa. As I have indicated, the majority of these bodies have been moved to Vanier and Hull with the exception of the one to Prince Edward Island.

In the case of the Department of Veterans Affairs, instead of reading "rather than the head office shall be the national capital region", which would embrace the first commissions I mentioned, the amendment shall read: "or whatever place designated by the Governor in Council".

● (1530)

While the present bill is identical to Bill C-22, it differs from the previous bill C-23 in that all reference to the Farm Credit Corporation has been deleted. This change was introduced following the last government's decision in July 1979 not to relocate the Farm Credit Corporation to Camrose, Alberta. It was judged appropriate, therefore, to delete reference to that move in the present bill. If you do not think this is technical, I do not know what is. The bill is very short and plain. It is a housekeeping matter. This is the position the government has taken all along. With that, I rest the explanation of the legislation.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, it is not our intention to carry on debate on a bill which the minister described as housekeeping. But in terms of the issues involved, under which the act occurred, this is the act to develop "Fort Fullerton" in Hull. As you know, Mr. Speaker, being the member for Ottawa West, there were great difficulties with regard to the development of the city of Hull, a move that was and still is in some quarters regarded as a surreptitious move of departments across the river. They are there. The buildings are there. When I park my car in the morning, I see those buildings. There is nothing one can do about taking them down brick by brick and moving them back, even if one wanted to. I would not volunteer for the job.

I do not think the bill should be described merely as housekeeping. It is a major piece of legislation in the sense that it involves making legal that which is illegal. It will continue to be illegal until this bill passes here, goes to the Senate and receives royal assent. One wonders what causes of action there might be from the point of view of class actions if people felt like bringing actions with respect to the moving of head offices of government.

The minister was quite right when he said that our government had to look at the facts as they existed when we took office. We had to look at the realities. I do not know of anything that was handled in a more, to put it at its kindest, unusual way than the development of Hull. It was handled by the previous Liberal government almost without consultation between the Government of Canada and the local municipalities.

When the Portage bridge was to be developed, it was announced by Mr. Fullerton, then chairman of the National Capital Commission. It was going ahead and that was all there was to it. There had not been any consultation with the provinces of Ontario and Quebec or the local municipalities on either side of the river. It was a dreadful mess.

I want to quote what I said on second reading because it is important with the minister being in the House. This is what I said with respect to the relations that ought to exist in the national capital area with local governments. I said at that time, and I quote from page 2525 of *Hansard* July 2, 1980:

> So that members of Parliament will have no doubt about my feelings with respect to the matter, let me say quite frankly that I do not begrudge the good fortune of the city of Hull with regard to this development. However, I say to the House that the government handled it in a very ham-handed, unconsultative way. As a result of how it was handled, a great deal of misunderstanding developed in the national capital area. An opportunity for consultation which should have taken place with the provincial authorities, regional government and others, did not take place until after those moves were made.

I would feel much better if the minister would give an undertaking that this kind of thing will never happen again with respect to his government. I hope it would never happen with respect to any government formed by our party. It did cause difficulties and a great number of misunderstandings. There are still spillovers in the area.

The question comes up about what we should do about it. The buildings are there. In this bill we are looking to make legal what heretofore has been illegal. I am told there is a great deal of goodwill and consultation takes place at the staff level of the National Capital Commission with the local governments on both sides of the river. That is to be applauded.

I have felt for some time that things like this and other surprises can happen if there is not the same degree of consultation at the policy making level of the National Capital Commission. I intend in another session of Parliament to put down a private member's bill that will make room on the board of commissioners of the National Capital Commission for incumbents in the chairmanship of the regional municipality of Ottawa-Carleton and the Outaouais municipality so that both sides of the river are represented in this federal agency.

I must confess there is one disability with respect to that, and that is that I cannot provide in a private member's bill for any compensation, even for the usual daily expenses. I hope that when that private member's bill comes forward the government will grab hold of it and make it part of government policy. Is there any good, sound reason why, in an area such as Ottawa-Hull, the major landowner and therefore the major mover and shaker of events, the National Capital Commission, ought not to have represented on it representatives of the

provincial governments which constitutionally have jurisdiction over property and civil rights, zoning and land use?

In the Outaouais region and the Ottawa-Carleton region, the planning process has been moved more and more away from the provincial governments and into those two regional municipalities. If the right hand is to know what the left hand is doing and if we are to have agreement and consensus with regard to how this area will be developed in the future, it is not unreasonable to suggest that all of the players should be at the table and understand one another.

The reason I would like the government to adopt this suggestion is that it can provide for the normal day-to-day expenses of a commissioner in the person of the chairman of each of those municipalities. I am not suggesting that the Regional Municipality of Ottawa-Carleton or the Regional Municipality of Outaouais must appoint that person, but there would be a place at the table for them. I suspect that if that were the case, they would take advantage of it. I can see no reason why they would not do that. I hope the minister will consider that matter even before my bill comes up. I am satisfied that a bill to amend the National Capital Act in that regard would get very swift passage in this House.

Since we are dealing basically with relocations within the National Capital Region, the question comes up as to where the moves should occur. There has been a tremendous concentration in the centre of the city of Ottawa and the centre of the city of Hull, the core of the National Capital Region, by the federal government. In some respects the land use planning of the National Capital Commission and the local governments have collided rather than colluded. That is to be regretted.

● (1540)

I want to call the minister's attention with respect to relocation to the fact that there are official plans of local municipalities within the Regional Municipality of Ottawa-Carleton, and I dare say within the Outaouais region, which have within the terms of the planning process provision for the location of government agencies, whether head offices or otherwise. There are some now within the city of Nepean and I know more would be welcomed. The official planning of the city of Kanata with an industrial park, the official planning of the township of Goulbourn, again with provisions for industry, have been designed to welcome that kind of location in those areas. I know the city of Nepean is anxious for a site to accommodate high technology development, and this involves consultation between the two levels of government, the local and the federal governments.

There is an attempt being made to diversify the employment and assessment base within this area. In fact, within the National Capital Region we have the potential for the second growth industry in Canada, energy being the first, the second being high technology. It would be helpful to all those areas in terms of commitment by the Government of Canada to have a demonstrated commitment to the growth of the area as a whole rather than to particular municipalities, not denying them anything to which they are entitled. It is important that the Government of Canada make some commitment in those areas. I know the electoral district of Ottawa-Carleton, taking in as part, as it does, the township of Gloucester, is suitable and I would hope that the Department of Agriculture might look at sites in the officially planned municipalities of Osgoode. Rideau township now has some with respect to Parks Canada, and there are places for other kinds of agencies of the Government of Canada.

What I am trying to say is that I would like the National Capital Commission, the Government of Canada, the Minister of Public Works (Mr. Cosgrove) and others to concentrate their thinking in terms of planning not merely on the core of the National Capital Region, but rather to look out into the regions of the national capital. I can speak, I think, for the municipalities on this side of the Ottawa river, and other members can speak for municipalities on the other side because they know the cases more intimately. This is something I would ask the minister not to lose sight of as he deals with the very important program of planning the national capital, because this bill makes legal something which, when it was brought about, had a great effect, not just in terms of the movement of people but certainly in terms of the development, indeed the well-being, of the central part of the city of Ottawa and Ottawa-Carleton.

It is for that reason that I have joined with the hon. member for Ottawa-Vanier (Mr. Gauthier), the hon. member for Ottawa West (Mr. Francis) and the hon. member for Ottawa Centre (Mr. Evans) in trying to assist as best I could the Government of Canada in making a decision regarding the Rideau Centre. That kind of development, the convention centre which will follow it and the hotel that will come, can do great things for the central core of this area, and from that pebble being dropped in this lake the ripples of advantage can flow out across the area.

If we are to develop, whether in terms of high technology industry, the tourist industry, or even in terms of other forms of employment for our young people, this will take a great deal of co-ordination by all levels of government, federal, provincial and municipal. This will take a vow by governments, whether formed by the Liberal party or the Progressive Conservative party, that never again will we allow to take place development in the way in which there is no consultation whatsoever, which causes such great upset. That is what we are trying to make legal here by the passage of this bill.

As I said at the outset, it is not our intention to hold up the passage of this bill unnecessarily. I felt I wanted to put that case to the minister, and I intend to keep putting it to this government at every opportunity.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words about Bill C-13 before the House today and I shall be brief.

Much of the bill is basically symbolic, although it deals with a number of very important moves made in the past. I want to associate myself at the beginning with the words of the hon. member for Nepean-Carleton (Mr. Baker), who talked about

the lack of consultation before the move to Hull. I can remember not only concern by people on the Ottawa side of the river, but a lot of concern by people on the Quebec side. I remember the 1976 election campaign in Quebec, for example, when the move was an issue in the local Hull constituency, and was one of the reasons a lot of the people in that constituency voted against a long time Liberal member and voted for the Parti Québécois, electing to the National Assembly a friend of mine, Jocelyne Ouellette. One of the issues was the relocation of federal buildings without adequate consultation with the government of Quebec, which by the way was the government of Mr. Bourassa in those days, and the city of Hull. The federal government failed to practice what I call, and perhaps this is a new term, democratic federalism. The very essence of democracy is to involve people and consult them before one makes very important decisions. I hope in the future that kind of consultation will be carried on automatically by the government of this country.

For example, many people in that part of Hull were moved out of their homes very quickly. There was not adequate compensation in many cases. Neighbourhoods were destroyed and people were dispersed throughout the city and throughout the Outaouais. I think that is a very sad reflection on the predecessor of the present minister who now occupies the position.

In terms of the bill itself, it is essentially changing the name of the city of Ottawa as it pertains to the Economic Council of Canada and other agencies and the location of head offices of these agencies in the National Capital Region. We have moved now to the concept of a National Capital Region, which I and members of this party support. The reason for that is that the national capital must be as reflective as possible of the country. It is very important that we recognize in this country that we have many cultures, that we have a very diversified Canada with two official languages, English and French. Since Ottawa is right on the border of Ontario and Quebec, it is very important that a number of the head offices be located on the Quebec side. I believe that could be very, very important indeed.

I think it is also important to say a word or two about reforms of this nature in the years to follow. I have already mentioned the importance of consultation, which the government has not done adequately in the past. We should look at reforms to our institutions in this country which serve all of Canada, that serve that federation, and we should have as an objective as members of Parliament making these institutions as national and as reflective as possible of the country as a whole. Too often that does not occur, though they are more reflective now, perhaps, because some of them are in Hull and the people who work there may be more aware or cognizant of the French fact in this country.

● (1550)

I believe we must make more of an effort not only to have Francophones in the senior echelons of the public service, where they are still underrepresented, but also to bring into government and our national institutions people from other areas of the country, such as northern Canada. There should be more Indian and metis people, western Canadians and people from Atlantic Canada.

Mr. Lalonde: And Saskatchewan?

Mr. Nystrom: The Minister of Energy, Mines and Resources (Mr. Lalonde) says even people from Saskatchewan. Perhaps. We have done very well. There are many ex-CCF public servants who now run many agencies of government. One is Al Johnson, who is head of the CBC, and there are many others indeed.

Mr. McKenzie: What a mess the CBC is in.

Mr. Nystrom: No comment.

Mr. Knowles: The Saskatchewan mafia.

Mr. Nystrom: As my colleague says, the Saskatchewan mafia. I believe an effort must be made to bring people from all parts of the country into the centre of the country rather than having ideas from the centre being imposed on the various areas and regions of Canada.

In the same vein we should look seriously at reforming some of our national institutions to make them reflect better the country as a whole. With respect to constitutional change, perhaps some members of the Supreme Court should be appointed by the provinces and perhaps the directors of the Bank of Canada should be appointed in part by the provinces. Because what the provinces do is very important in relation to the court and in the case of the Bank of Canada when it comes to monetary policy. These institutions should be made to reflect the country—to be a mirror of the country—and I think in some cases that is not as much the case as it should be.

The last matter upon which I want to touch briefly deals with the whole question of decentralization. I believe an effort should be made to decentralize more federal government departments to various areas across the country so there is more of a federal government presence in the regions. I am talking about decentralizing relevant departments or relevant departmental agencies. For example, it made sense to locate the head office of Petro-Canada in the city of Calgary, the oil capital of the country. I think it would make sense to do some more relocation of that sort in other areas. Perhaps there should be more decentralization of the Department of Fisheries and Oceans to Atlantic Canada or to British Columbia. Perhaps there should be more decentralization of the Department of Agriculture to the prairies than is presently the case. Other departments could be relocated and decentralized in order to bring the government closer to the people of all regions and to make government more relevant to the citizens of each and every province.

I did not want to take up too much time, but I did want to make those two or three comments. I think it is important to make the institutions of our country more national and to look very seriously at a well-planned program of decentralizing

some of the departments and agencies of departments of the federal government.

The last point I should make is that when departments are decentralized it is important that we do not replace one bureaucracy of a department which was here in Ottawa with another one. Let us not duplicate services. Let us make sure the services are available, but let us not build empires. In a modern society of high technology and sophisticated communications it does not make much difference whether the Department of Agriculture operates its major functions in the province of Manitoba, for example, in Saskatchewan or here in the city of Ottawa. With mass communication it does not make any difference at all. We can now communicate instantaneously right around the world. I think the government and the Minister of Public Works (Mr. Cosgrove) should look seriously at a program of relocating more of the agencies of the Government of Canada.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to speak just for a few moments on Bill C-13 respecting the relocation of government agencies. The hon. member for Nepean-Carleton (Mr. Baker) pointed out that this is more than a housekeeping bill and that the government could use it for moving other government departments. I want to comment on a couple of points the Minister of Public Works (Mr. Cosgrove) missed with respect to this bill, and I will do that in a minute.

I am interested in making a few comments on the move of the veterans pension commission to Prince Edward Island and the serious problems that is causing for the department and especially for veterans. This is covered under Part II, which deals with the Pension Act. There is a reference to the Statutes of Canada, P-7, which is a direct reference to veterans affairs and the Canadian Pension Commission. In addition, the Department of Veterans Affairs is very much affected by the Public Archives Act.

Another point the minister did not cover is that if we are going to be moving government departments either across the river or across the country, it causes very serious problems for the departments concerned if staff do not want to move. The matter whether employees have to move if a government department is being moved was raised just a few weeks ago in the Public Accounts Committee. Mr. Brittain, the deputy minister of veterans affairs, gave the following answer to the Public Accounts Committee:

—there is indeed nothing to force a person to stay in his or her job or to resign. There is no job guarantee for the people who choose not to move to the Island. Under the Public Service Employment Act, there is a provision that they be looked at first by other departments who are recruiting. If they have the qualifications to meet the requirements, then they are offered the job. That is the way the Public Service Employment Act and regulations are written. They have no trouble finding jobs.

It is fine that the employee has no trouble finding a job. The trouble in connection with the veterans pension commission is that the chairman of the commission cannot find suitable people as replacements, and he has to hire new people. Many of the new people do not want to move. It now takes up to five years to process veterans' applications. It is all very well for the government to be moving government departments around, but then heads of departments cannot find suitable people to run the departments. There is no advantage to anyone in a situation like that. We are losing all of the expertise in the Department of Veterans Affairs. The staff do not want to move to Prince Edward Island and we are not getting any clear-cut answers from the Acting Minister of Veterans Affairs as to what he is going to do about it. In the standing committee he always tries to slough it off on his officials. He will not commit himself to anything.

I want to refer to an explanation given by the chairman of the Canadian Pension Commission, Mr. Solomon, at the last meeting of the Standing Committee on Veterans Affairs. He pointed to the problems he is experiencing with the Canadian Pension Commission going to Prince Edward Island. The government will have to consider seriously leaving the Canadian Pension Commission here in Ottawa. Mr. Solomon made a statement to the press today that things will get worse. We cannot accept that things will get worse at the veterans pension commission.

Mr. Solomon pointed out in the committee, and I quote:

—the question that was directed to me really related to the staffing problem and whether we are going to continue to have this problem with respect to the Prince Edward Island move. Certainly, as far as the pension commission is concerned, there is no doubt that we have had a very severe staffing problem. We believe the staffing problem has been caused, in the main, by the fact that members of the staff and, unfortunately, trained members of the staff, do not want to go to Prince Edward Island and have left or are leaving or are planning on leaving.

Where does that leave him? That leaves him holding the bag, and he does not know how to correct the problem.

I am not through with that issue. I was not satisfied with the answer I received from the Prime Minister (Mr. Trudeau) on Tuesday, so I have written him a rather lengthy letter respecting the serious problems with the move of the Canadian Pension Commission to Prince Edward Island. I hope the Prime Minister will take a serious look at the issues I raised in my letter to him. I will not go into all the details of that here this afternoon; I just wanted to highlight the problems we have with respect to moving government departments.

If we move a government department just across the river to Hull or a little further into Quebec, there are language training problems and problems respecting the language laws of the province of Quebec. Several civil servants who were to be transferred to the province of Quebec have come to me with very serious concerns about whether their children would be able to learn in English. These things have to be taken into consideration.

With respect to the Public Archives, the Canadian Pension Commission requires access to service documents which are held in Ottawa in the personnel records centre of the Public Archives. They are walking over there across the street practically every day, I should imagine, to go through the archives for detailed information on a veteran's background. I do not know what they are going to do if they all move to Prince Edward Island. Somebody mentioned we have great communication today; I do not know whether they are going to be phoning the archives every day to rummage through the files

to find out where some veteran was in 1939 or 1940. The government is certainly going to have to think about that.

• (1600)

They have certainly found a way of streamlining pension applications in the United States, Mr. Speaker. There it takes only 60 to 90 days to process an application, whereas in Canada it takes from one to five years. In fact, we have evidence of some which will take up to six years to process. Mr. Solomon is in an impossible position with the commission move to Prince Edward Island and, as he says, it is going to get worse, not better.

So I hope the Minister of Public Works will take into consideration the Public Service Employment Act regarding employees who do not have to move if they do not want to. If we are going to have a policy of decentralization and only about 5 or 10 per cent of employees want to move, I do not know how we are going to have room for all the civil servants here when their department goes. We are going to hire staff there, untrained, and I certainly would not want to be a head of a pension commission or government department with an arrangement like that. I think the government is going to have to take a serious look at the Public Service Employment Act in that respect.

I thought these points should be put on the record this afternoon, Mr. Speaker, in regard to these bills. I hope the Prime Minister, the Minister of Public Works or the Acting Minister of Veterans Affairs will come up with some answers in the very near future, especially for the veterans service organizations across Canada who are deeply concerned, and for the many veterans who are dying off before their pension claims can be processed.

[*Translation*]

Mr. René Cousineau (Gatineau): Mr. Speaker, I had no intention of taking part in the debate on Bill C-13, but after listening to the comments made by the hon. members for Nepean-Carleton (Mr. Baker) and Yorkton-Melville (Mr. Nystrom), I feel that I must make a few comments. I appreciate the concern of the hon. member for Nepean-Carleton. Of course, he is looking after the interests of his constituents, but the fact that the cities of Hull and Gatineau are also included in the National Capital Region, is always overlooked. As for the hon. member for Yorkton-Melville, he referred to the election of 1976 and said that the construction of federal buildings was partly to blame for what occurred. I must point out to him that the constituency of Papineau did not get any new large buildings and still elected a PQ member. There was a general feeling of discontent in the province, and there still is. We shall try to fight against it, but not by saying that constructing new buildings in the province of Quebec is one of the reasons why the people voted for the PQ in 1976, and perhaps also in 1981.

At this time, I would like to tell the Minister of Public Works (Mr. Cosgrove) that it is unfortunate that the government thought about crossing the Ottawa River and forgot to do the same for the Gatineau River because it is also part of the National Capital Region. I would ask my hon. colleague, the Minister of Public Works, to go around Rockcliffe and to look across at my constituency, and then to cross the Ottawa and Gatineau Rivers, drive along Jacques Cartier Street and look at Rockcliffe; he will note a very big difference between the two towns.

Let the government keep up the good work! I approve of this bill. Let us hope, Mr. Speaker, that the hon. minister will not forget the constituency of Gatineau in the future.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a few words concerning an aspect of this bill that has been brought to the attention of the House by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). I am sure all of us agree that, whatever views we may have had about the move of the Department of Veterans Affairs to Charlottetown, that move is so far along that there is no point now in arguing it should not have taken place or should be stopped. However, I do want to underscore the view that this should not be allowed to work against the needs of our veterans.

The fact of the matter is, as has been stated by the hon. member for Winnipeg-Assiniboine, that the handling of cases by the Canadian Pension Commission is not catching up as we thought for a number of years would be the case. It is really admitted that one of the problems is in getting personnel to move to Prince Edward Island who are capable of handling this type of work. For one thing, a great many doctors are required to assist the commission in its job. It has even been suggested to me that it will take more doctors to do the work of the commission than it takes to meet the needs of all the people of Prince Edward Island. After all, it has a pretty small population.

Now, Mr. Speaker, as I said at the start, I am not complaining about the move. I had my doubts about it to begin with but it is an accomplished fact, but let us not make the veterans pay the price of it. Let us not take the view that this move must be made in a way that saves money. If it is the government's position that departments and agencies are to be centralized in various parts of the country, that may cost some money and it may cost money to engage doctors and additional staff and specialists in veterans affairs to handle these cases. I urge very strongly that this be given consideration not just by the Acting Minister of Veterans Affairs, but by the Minister of Finance (Mr. MacEachen), indeed by the whole cabinet.

It has been very interesting to me across the years to note the way in which the Royal Canadian Legion and other veterans' organizations adjust their priorities according to the needs of the time. It is only in the last few years that they have put the concerns of widows right up at the top. I hope the whole House is aware of that concern through my raising the question so often.

The number two issue in the recent brief of the Royal Canadian Legion and other veterans' organizations was the

time it is taking to deal with cases that come before the commission. As I say, Mr. Speaker, now is not the time to assess the blame for that situation, but it is a fact and the veterans should not be made to suffer. I hope the President of the Treasury Board (Mr. Johnston) and the Minister of Finance will realize that the Acting Minister of Veterans Affairs is making a very valid request when he asks for more money so that doctors and other necessary personnel can be employed in order that the Department of Veterans Affairs and the Canadian Pension Commission in Charlottetown can do the job that our veterans, their families and survivors deserve to have done for them.

Mr. McKenzie: On a point of order, Mr. Speaker. I just want to clarify my position. The hon. member for Winnipeg North Centre (Mr. Knowles) referred to the move of the Department of Veterans Affairs to P.E.I. I just want to make it perfectly clear that I was just referring to the pension commission and their problems with the move. I was not referring to the department's moving. I just want to clarify that.

Motion agreed to, bill read the third time and passed.

* * *

● (1610)

SUPERANNUATION AMENDMENT ACT, 1981

AMENDMENTS RESPECTING EARLY RETIREMENT OF AIR TRAFFIC CONTROLLERS

Hon. Donald J. Johnston (President of the Treasury Board) moved that Bill C-65, to amend the Public Service Superannuation Act and the Supplementary Retirement Benefits Act in respect of the early retirement of air traffic controllers, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, it is my pleasure today to propose that the Public Service Superannuation Act be amended to establish special pension arrangements for air traffic controllers. These proposals will introduce, for the first time, pension arrangements which are particular to employees in a specific occupation. The problems of the optimum career pattern for air traffic controllers, their early retirement, and alternative career opportunities have been, as hon. members know, significant issues for many years. The new pension arrangements will facilitate the management of the controller work force and ensure fair treatment for controllers who must be removed from operational service or who have spent many years as operational controllers.

Although controllers' wages and other working conditions already recognize the unique nature of their duties, experience has shown that many operational controllers cannot cope with the demands of operational air traffic control up to the time of normal retirement. Much like professional athletes, air traffic controllers must be in top physical and mental condition. Anything less would compromise air safety and would be clearly unacceptable. At least once a year, air traffic controllers are required to pass complete medical examinations and demonstrate technical proficiency in order to continue to operate as controllers.

[*Translation*]

Controllers certainly have shorter careers than other civil servants. A number of countries, including Belgium, France and Switzerland, already offer their controllers special retirement schemes. The Americans introduced in 1972 a complete early retirement plan which we have used as a model. The proposals submitted today are part of a program put together by the Department of Transport with the assistance of the controllers' union, the Canadian Air Traffic Control Association. Their purpose is to help, through an integrated scheme, air traffic controllers to prepare for a second career through retraining or to seek a new position, allowing them to collect the whole or any part of the pension benefits to which they are entitled by way of compensation for their loss of income.

The Department of Transport now provides capability assessment services, vocational guidance and retraining courses to controllers who are retired automatically after at least ten years of operational service. The retraining program has only been available recently. Its effectiveness, therefore, cannot be assessed as yet, but my colleague the Minister of Transport and the controllers themselves appear to be quite satisfied with the early results.

[*English*]

The pension part of the program is contained in Bill C-65, which provides for early retirement for air traffic controllers and, under special circumstances, for the payment of partial pensions while continuing work. The proposed pension arrangements will provide a means whereby controllers can be removed from air traffic control—or can voluntarily remove themselves—without severe economic penalty when the state of their health or technical proficiency might affect their performance and compromise the safe and efficient movement of air traffic. Because the government agreed to the pension proposals in the early part of 1976, the new benefits will be available to any eligible controller who left operational service on or after April 1, 1976. In return for these special pension features, controllers are to make an extra 2 per cent contribution to the pension plan, to be matched by the government as employer.

The proposals in Bill C-65 were included as part of the pension legislation introduced in the House on October 26, 1978. However, as hon. members know, that legislation was only at report stage when Parliament was dissolved on March 26, 1979. The air traffic controller provisions had received general approval at that time, with the exception of deferred indexing of the special benefits and the requirement in certain circumstances for the extra 2 per cent contribution.

[*Translation*]

I will deal with indexation in a few minutes, but first I would like to explain the problems created by the additional contributions. During committee hearings on the previous bill on the public service superannuation, the president of the

Canadian Air Traffic Controllers Association stated that many members of the association were against paying additional contributions of 2 per cent after the age of 55 and 30 years of pensionable service. According to him, those employees were already entitled to full pension under the existing provisions of the Public Service Superannuation Act and the additional contributions would not translate into more benefits for them. On the other hand, since it is indeed a group plan, it seems contradictory that certain controllers be exempted from paying the additional contributions. Therefore, the government has decided to wait until the new plan has proven itself before making a decision.

[*English*]

The bill now before this House therefore requires that all controllers in operational service make the extra 2 per cent contribution. However, I would point out that no retroactive contributions will be required for the period between April 1, 1976, and the date of enactment. The 1978-79 pension bill proposed that controllers make the contribution for the first nine months of the retroactive period. However, for reasons of equity primarily, and administrative difficulties secondarily, it has been decided that the requirement for employee contributions for the first nine months should be waived.

I spoke a few moments ago, Mr. Speaker, about the indexing arrangements in the earlier bill, which had as one of its general proposals that there would not be any cost of living adjustments paid before age 60, except for disabled pensioners and survivors. CATCA, that is, the union, argued strongly and convincingly that there should be immediate cost of living adjustments for air traffic controllers who are removed from their position. The present bill therefore includes such a provision, and is also less restrictive than in the earlier bill for employees who leave of their own accord. I would add, Mr. Speaker, that these indexing arrangements are in line with the original 1976 agreement.

Apart from these two exceptions on contributions and indexing and some technical fine tuning, the bill before us is essentially the same as the proposals presented in 1978. As in 1978, we are proposing that any employee with at least ten years of operational service who is moved from air traffic control be allowed to retire on a reduced pension, or draw a partial pension while remaining employed in some other capacity. Employees required to leave after at least 20 years of operational service would be eligible for a partial pension if they move to another job, or if they retire from the public service altogether for an unreduced immediate pension.

Controllers are required to leave operational work if, for example, they cannot meet the medical requirements of an ATC licence, if they have lost their technical proficiency, or if management is concerned that continued service would seriously jeopardize their physical or emotional well-being.

[*Translation*]

Controllers aged 45 or more who want to retire after at least 20 years of operational service would be entitled to a reduced pension as soon as they resign from the public service. Controllers aged 50 or more with 25 years of service would be paid full pension. Those who voluntarily leave the service in the operational service would not get any partial pension.

[*English*]

As hon. members know, we are examining a number of the features of the public service pension plans with an eye to possible change. I have already indicated our intention to prorate the first cost of living adjustment for anyone retiring on or after January 1, 1981, and we plan to introduce further amendments at a future date. But the provisions in this bill cover pension arrangements for air traffic controllers only. They are designed to recognize the need for earlier retirement and to preserve the safety and efficiency of the air traffic control system. Thank you, Mr. Speaker.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, as the hon. member who just sat down knows, there has been a great deal of discussion about this bill and the importance of it to air traffic controllers over the last number of years. If one were to ask an air traffic controller what he thought about this bill in terms of its introduction, he would say that it is long overdue. I do not say that in the sense of any criticism, because I know how these things happen. However, that is what he would say.

• (1620)

I think that all members of the House who look at the bill as described by the President of the Treasury Board (Mr. Johnston) would have to say that it contains a great element of fairness. It recognizes the peculiar nature of the work of air traffic controllers, work which has stresses which few of us could imagine unless we were placed in their shoes, and that is impossible. However, anyone who knows an air traffic controller or a group of them and has spoken to them knows the peculiar strains which their work can have on their health and ability to function. Therefore, somehow or other, the government has had to marry the concept of safety on the one hand, which is important, with the idea of fairness on the other. The third concept is the recognition of the facts as they apply to a particular profession.

We have a special bill. What do we do with that bill? It is possible for us to debate the bill this afternoon and send it to a committee where it can be studied; but I think that would be most unfair. I think it is the kind of bill which should be dealt with here and now, today, in a Committee of the Whole House, and we can do that later on this afternoon. Then it should move immediately into the third reading stage and the bill should move out of this place into the Senate. It is a bill which has been around for a long period of time and I think it serves, quite appropriately, a group which need assistance in a particular way because of the nature of their work.

During the course of his remarks, the minister made a statement with respect to a program within the Department of Transport on the retraining of air traffic controllers, who are people who still want to function within the public service. He indicated as well that it was a matter, the efficacy of which he could not as yet comment on because it was quite new. Speaking for my own party, I hope that a year from now we

can have a statement from the minister, whether or not it is in the House of Commons, about how that program of retraining is working. There are great changes, and not just this one, having to do with health as it relates to safety in transport. However, there are great problems within the public service, of which Your Honour is well aware, problems of change as government programs change and priorities change and as restraint takes hold, which involve the shifting of public servants from one occupation to another within the public service.

I have spoken in the House of Commons previously about the necessity of training. The government has made statements with respect to the necessity of training and retraining these people in order that public servants will not be victimized by change. I hope that while the President of the Treasury Board will be assessing the particular training problems which affect the licensing of air traffic controllers, and the strictness which must be observed so that public safety can be protected in terms of that licensing, he will also not let his attention stray from the importance of developing, within the public service, retraining programs for public servants who find themselves caught in a process of change which seems to be moving rather quickly.

There have been consultations with various associations, I know. The president of CATCA spoke to me the other day and indicated the importance of this bill to the members of his association. I have looked at this problem before, and I can only say "hear, hear" to what he told me on the telephone.

Therefore, I am glad that the bill is brought forward today. I am very pleased to be able to say, on behalf of our party, that in order to speed it through so that it can get through the legislative process as quickly as possible, we are prepared to deal with the bill in Committee of the Whole this afternoon and go on to third reading.

Mr. Deputy Speaker: Order. The hon. member has suggested that the bill be considered in Committee of the Whole instead of being referred to the Standing Committee on Miscellaneous Estimates. This would require the unanimous consent of the House.

Mr. Knowles: Yes, Mr. Speaker, I was going to make that suggestion, so we agree to it.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: So ordered.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, thank you for taking care of that point so that we can deal with this bill today, through all of its stages so far as this House is concerned. Since the President of the Treasury Board (Mr. Johnston) has referred to his conversations with CATCA, since the hon. member for Nepean-Carleton (Mr. Baker) has indicated that he, too, has had a conversation with CATCA, if I then say I had the same conversation, it sounds as though CATCA is pretty effective. It is satisfied, more or less at least, with the provisions of this bill. It has come out of what amounts to collective bargaining discussions. I think that since there has already been a couple of years of delay, there should not be any further delay and we should put this bill through today.

I welcome very strongly the idea that there are certain kinds of employment which create so much stress and strain that earlier retirement should be considered. I think that that principle, so far as this bill connects it to air traffic controllers, who are public servants, is a good one. We are glad to see it implemented in this legislation.

I have studied the bill which is before us. It seems to me that the various provisions, such as the arrangements where the service is ten years, 20 years or 25 years, are satisfactory. I believe that the minister's explanation about the extra 2 per cent is a reasonable one, at least until the whole matter can be reviewed.

Therefore, as I say, we welcome this bill. We are quite prepared, after it has been given second reading, for it to be dealt with in the Committee of the Whole, and by leave of the House, to be given third reading today as well.

There are times in this House when a bill to amend a statute creates a desire in the hearts of some of us to get into other phases of the statute than those mentioned in the bill. That can lead to procedural arguments and to stress and strain for the Chair, to the point where he thinks he should have early retirement as well. However, I do not intend to digress. I do not intend to get into the Public Service Superannuation Act generally. Even so, there is one point which is brought to a head by this ealier retirement for certain people which I want to mention. Then there is one other point which the President of the Treasury Board mentioned on which I should like to make a comment. I hope Your Honour will agree that I am staying within the confines of this particular piece of legislation.

As I say, this bill provides for a number of people to have earlier retirement. That is bound to increase the number of cases where a retired public servant marries after retirement and then finds that when he dies there is no pension for his widow. That is a rule in many pension plans. It is a rule in the Public Service Superannuation act across the board. It is the rule in the pension act that applies to members of Parliament. It is a rule in railway pension plans, and so on.

However, many a person comes up against this and is quite surprised. Many a retired person says, "I have worked all those years, I contributed to the fund. My first wife died some years ago; I married again just after I was retired. But no matter how many years my second wife may have looked after me, there is no pension for her."

• (1630)

I suggest that this situation is becoming more and more one that has to be looked at, partly because longevity is increasing and retirements are taking place earlier. There are more cases of these marriages. I should not call them second marriages and I always write back to these people and tell them the

problem is not because there is a second wife involved, it is that the marriage took place after the man's retirement. A first wife, if married after retirement, would not qualify and a second wife married before retirement would.

The number of people that this affects is increasing, partly because of longevity and partly because of earlier retirement, and I think the problem has to be addressed, Mr. Speaker. I wrote a letter at some length on this subject to the President of the Privy Council (Mr. Pinard) some time ago because it came up in some House business discussions. He assured me that he would send copies of my letter to the President of the Treasury Board, the Minister of National Defence (Mr. Lamontagne), the Solicitor General (Mr. Kaplan) and others who have these plans before them.

I raise this point now to ask the President of the Treasury Board to address himself to the problem in any further reviews of the Public Service Superannuation Act that take place. The problem is already there. I have raised it a good many times. A number of years ago when we were in committee on the Public Service Superannuation Act, I thought we had almost got to the point where we were going to remedy the situation but the government backed off.

As I say, the problem has increased through early retirement and greater longevity and it is an issue that the minister should consider. Perhaps when we are in Committee of the Whole on the bill he might answer this representation on my part even if all he can say is that he will study it a little more than it has been studied in the past. I hope that at least he will do that.

Still complying with my own stricture that we deal only with what is in this bill, I draw attention to the fact that, in referring to Bill C-12 of a couple of years ago, the President of the Treasury Board noted that it contained a provision to adjust the first indexation that takes place in January after a public servant retires in order to put it on a prorata basis. The minister says that the government has already announced that it intends to do that this year, making it effective as of January 1, 1981. I was not surprised when I heard that announcement because, as I say, it was part of Bill C-12, which we considered in the Thirtieth Parliament.

I should like to make this point to the President of the Treasury Board before he pushes that matter too far. Plausible though it may sound to give a public servant who retires in November or December a much smaller increase in January than would be given to the person who had the whole year, that would have been acceptable in the days when inflation was not so severe and when the changes over the last six years of employment were not so great. In other words, when those changes were not so great, and when a public servant retired with, say, 30 years of service, which would give him 60 per cent, it was 60 per cent of the average pay for those last six years, and the average of those last six years was not very much below what he was making at the point of retirement.

At the present time, however, in a public servant's final six years there can be a tremendous increase in his salary over what it was in retirement minus six to what it was at the point of retirement. When he is given only 60 per cent for 30 years' service or 70 per cent for 35 years, on the average of those six years he will receive a much greater drop from his pay in the last year he was working to his superannuation than has been the case over the years. I know that public servants who are concerned about this will admit that it sounds plausible to go for this pro rata basis but, say, by retiring in November or December the little bit of bonanza they get in January makes up for the other.

I will tell the President of the Treasury Board that I am not asking for it both ways. I am not asking to change the six-year basis and keep the bonanza. If he cannot change the six-year basis, however, then they have a right to think that the bonanza, as I have called it, is something to which they are entitled.

I would urge that the minister be very careful about removing that right to full indexation in January before he does something about the six-year average. If he will change that, I think it has to come down to two or three years. Then I would say that it would be quite fair that the first indexation would be on a pro rata basis. I hope that the minister will look at that very carefully.

I have been asked a few times why it is that some of us do not ask as many questions about public service superannuation as we used to. I suppose the plain fact of the matter is that we did not want to put ideas in the minister's head to do things to restrict the Public Service Superannuation Act. We still want improvements. We want the two or three-year average. We want the corrections with regard to wives as survivors where a marriage takes place after retirement. We want guarantees about the maintenance of indexation. In fact, I have said many times, and it has been said by Liberals too, that the answer to those who complain about public servants getting indexation is not to cut it back or take it away from them, but to legislate indexation for all pensions plans.

I must not carry on much longer, Mr. Speaker, or you will say that I am violating my own stricture that this is a restricted bill. I leave it at that. We welcome early retirement for air traffic controllers. We think the arrangements set out in the bill are good and fair. They are certainly acceptable to the Canadian Air Traffic Controllers' Association. We are happy to see the bill go through all the way today, but I hope the minister will give consideration to the other points to which I have referred.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Francis in the Chair.

Clauses 2 to 7 inclusive agreed to.

On Clause 1—

Mr. Knowles: Mr. Chairman, since Clause 1 is the title and is general in nature, I wonder if the President of the Treasury Board would give me an answer to, or make a few comments on, some of the points that I raised. I refer especially to the point that is brought into the open by this early retirement bill, namely, the right of the survivor of a pensioner to a survivor's benefit, even though the marriage may have taken place after the date of retirement.

Mr. Johnston: Mr. Chairman, as the hon. member mentioned during the course of his remarks, the whole area of survivor benefits is one that we are addressing. I think there are a number of areas besides the specific one which he has brought to our attention this afternoon which must be examined. I noted with interest and will pay heed to the suggestions he has made. I cannot guarantee that we will move as far as he would like in many of these areas but his point with respect to the increasing number of early retirements, and perhaps the increasing incidence of persons marrying after the date of retirement, is one that should be examined.

● (1640)

The hon. member touched on a number of other points as well, particularly with respect to the retroactive adjustment. I think hon. members recognize this generally has been the subject of some abuse and criticism in the past. I believe that is why it was first considered in Bill C-12.

The hon. member raises the question of this retroactive adjustment as a bonanza, which perhaps should provide some compensation for the fact that with the kind of inflationary rates we have experienced the six-year average for best years of income, used in terms of the basic pension benefit, is somewhat distorted by inflation in his view. Hence the amount of the so-called bonanza goes in some measure to compensate for that.

I would certainly look at this kind of proposal, although I would judge if we are to make changes in our legislation with respect to the six-year period, or any other period for that matter, or if we are to compensate in any way for the inadequacy of that formula, I would like to think it would be done on a more scientific or rational basis than leaving in this measure, which, in my judgment, has been subject to some abuse. As I indicated earlier this year, we intend to correct that. Clearly, we do not have legislation before the House, but in fairness to those public servants who might be contemplating retirement, we made the announcement so that they would be aware of our intentions and the date when we expect to introduce legislation and from which it would have effect.

Mr. Knowles: Mr. Chairman, first I would like to thank the President of the Treasury Board for his commitment to study the question that I raised about marriages taking place after the date of retirement. I appreciate the fact that he accepted as valid my contention that with earlier retirement and with greater longevity the situation is one that does arise more often than used to be the case. I hope that the matter will receive the study I feel it deserves.

With respect to the other question, that of doing away with full indexation in January for a public servant who has retired late in the previous year, I agree with him that one should not correct one wrong by another method which has some element of abuse in it. In other words, this bonanza in January should not be the permanent answer to the fact that when public servants retire they lose because of the inflation that takes place in their last six years.

I quite agree with him that there should be a more scientific way to deal with it, but I believe even having admitted that, that I have a case for saying that one should not do one without the other. One should not take away something that is there, whether it is scientific or not, which is a measure of compensation until the other has been corrected.

I think the minister would find it much easier to get the House to accept a bill—if he is going to bring one in this year—that had in it both elements, something that got rid of the abuse which takes place in some cases but corrects the other situation at the same time. If he does not, many public servants will feel that the unfairness they suffer by still having to base their pensions on the average of the last six years, when salaries were going up so much in the last six years, will be very real. I thank the President of the Treasury Board for offering to look at that as well. I felt that the offer in the first place was a little more meaningful, as though he really might do it and get right at it, despite the fact that these things take time; but in the case of the latter, I urge that very serious consideration be given to not making a correction this year without going all the way and correcting the situation caused by the six-year average in a time of inflation.

At any rate, we are ready for improvements in the Public Service Superannuation Act and we are ready for improvements in the indexing of pensions across the board. We hope that the government will soon get its policy straightened out in this regard.

Mr. Baker (Nepean-Carleton): Mr. Chairman, as the minister knows, there is a concern with respect to public service pensions. My friend ranged rather wide in terms of his question, given the clause that we are dealing with.

May I ask the minister a question. With respect to the general revisions of the Public Service Superannuation Act and the Supplementary Retirement Benefits Act, there has been some discussion in the House relating them in some way to what would flow out of the pension conference recently held here in Ottawa.

Could the minister tell me now whether in terms of bringing in legislation, a white paper or however it is to be dealt with, the situation will be dealt with in the context of an over-all review of the pension system of Canada, or is it the intention of the government to bring in a special piece of legislation dealing with public service superannuation and supplementary retirement benefits and those related areas in which the minister knows I have an interest?

Mr. Johnston: Mr. Chairman, the outcome of the National Pensions Conference has been of great interest to us in terms of conducting our own review. During the course of that conference, as well as before and after, in terms of response from various sectors, some quite helpful commentary has come in.

I also believe the time has come for us to move forward with a number of amendments to our own legislation. It is my hope that what we bring in will be compatible with the kind of consensus which has come out of, and I think will continue to come out of, the continuing negotiations in all sectors on pension legislation.

The act, I believe, clearly requires some adjustments in a number of areas. We are working toward bringing forward some proposals for my cabinet colleagues to consider, I hope in the relatively near term.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I gather from what my friend is saying that it is not the intention of the government as far as the public service is concerned to deal with this from the point of view of a white paper, or even a green paper, in anticipation of any legislation, but to deal with it in legislative terms fairly soon. Would I be embarrassing the minister if I asked him to tell me whether it is the intention of the government to introduce a piece of legislation prior to Christmas, 1982?

The Chairman: With respect to the hon. member, the measure before us is a very specific one. The hon. member is ranging just a little from the subject before us, but perhaps the President of the Treasury Board might want to comment.

Mr. Johnston: Mr. Chairman, the issue is under review. When I am satisfied, and when I can satisfy my cabinet colleagues with the kind of measures which should be introduced, I will then be in a position to bring legislation forward. Hon. members know, particularly the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre, what a difficult and complex area pension legislation is. I believe it requires a great deal of study. There is a lot of knee-jerk reaction around the country to pension legislation and various provisions. There is much folklore associated with pension schemes, to a degree associated with the public service pension schemes, not only at the federal level but at other levels as well.

This question is obviously one which must be handled with great care. It is one area of high priority with me, but I would be very reluctant to put a specific timetable before my colleagues in the House when at this point I have no basis to proceed. I am just not at that point of making a statement as to when any such legislation might come forward.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I just want to make one comment. I am delighted to hear the attitude of the minister toward the folklore, mythology and other things which have developed around public service pensions. I share that attitude.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

● (1650)

[*Translation*]

CURRENCY AND EXCHANGE ACT

MEASURE RESPECTING ISSUANCE OF GOLD COINS

Hon. J.-J. Blais (Minister of Supply and Services) moved that Bill C-68, to amend the Currency and Exchange Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: First of all, Mr. Speaker, I wish to thank hon. members for their eagerness to co-operate and their willingness to deal expeditiously with this legislation. I will try not to abuse the patience of the House while making a few remarks on the nature of this bill and its importance for Canadians.

[*English*]

Consequently, I am pleased to propose the second reading of Bill C-68, an act to amend the Currency and Exchange Act, first reading having occurred on June 22, 1981. The aim of this bill is to permit the governor in council to issue gold coins. Permission was already granted further to an amendment to this act, approved June 20, 1978, which amendment was limited to January 1, 1981.

The debates of the committee and of the House of Commons before the adoption of Bill C-39, in May, 1978, centred on the opportunity of launching a Canadian gold bullion coin program, as suggested by the Canadian Mining Association and other groups from private industry as well as by the Canadian gold mining industry. These discussions raised considerable interest and a great deal of enthusiasm from both sides of the House, after which the members of the opposition recommended a prompt start to the program.

Following representations by certain members of the opposition, Bill C-39 was modified to limit the legislation's power relative to the issuance of gold coins to January 1, 1981, and also that the minister responsible report to Parliament on the administration of the program during the month of December 1978 and every six months thereafter. The aim was to permit gold coin programs for a three-year trial period, after which we would undertake the evaluation of the results.

Afterwards, the Royal Canadian Mint was authorized by the governor in council to launch a gold bullion coin program and the board of directors of the Mint was commissioned to evaluate the results of the program, to eventually inform cabinet, through myself as minister responsible, of the advantages of such a program to Canada and also of the consequential effects on the Canadian gold mining industry as well as the relevant facts that come into play, such as inflation, the balance of payments, the profitability of such a program and other aspects.

Consequently, the board of directors of the Mint retained the services of Price Waterhouse Associates to evaluate the gold Maple Leaf program and, in effect, gave them broad terms of reference for their evaluation. The evaluation has been completed and the report submitted to the board of directors of the Mint. The board of directors has approved that recommendation and I can only qualify the recommendation from Price Waterhouse as being completely positive.

[*Translation*]

The report from Price Waterhouse Associates was approved unanimously by the board of directors of the Mint, who then recommended that I seek the necessary authority to continue the gold Maple Leaf program on an ongoing basis. The Royal Canadian Mint has never asked the government for financial assistance to carry out its operations since it became a Crown corporation in 1969. The last report to be tabled in the House after the Currency and Exchange Act was amended in 1968 indicates that for the period from July 1, 1978 to December 31, 1980, the gross receipts from the sale of gold coins amounted to $1,456,911,000, and the net profit to $31,682,500. The gold coin programs have benefited the various private companies involved in the advertising, processing and sale of precious metals, the supply of materials, the provision of transport services and comprehensive insurance. They have benefited as well every government which levies a provincial tax on coins sold in Canada.

Last year, in northern Canada, that is north of the 60th parallel, I had the opportunity to explain to the inhabitants of that area the exceptional benefits of the program now under way, and I am very pleased to see that the hon. member for the Northwest Territories, for the riding of Western Arctic (Mr. Nickerson), will be here to voice the official opposition's views. I look forward in a very positive frame of mind to hearing his remarks which I trust will be approving. The gold required by the Canadian Mint for making the coins authorized by the government, as a result of the amendment to the Currency and Exchange Act and the 1978 amendments, came from Canadian mines or, whenever there were shortages, from the gold reserve of the foreign currency account of Canada.

The gold Maple Leaf coin, offered for the first time in September of 1979, was very well received throughout the world, as results proved during the first four months of sale in 1979: one million coins were sold. That coin was considered a valuable option for dealers in gold, international bankers and investors who were looking for an alternative to the South African Krugerrand which had been on the market since 1967. The only reservation ever expressed about the Canadian gold leaf coin was that the program was only temporary. Such a reaction influenced the strategy adopted for the marketing and promotion of the coin. Official North American and European distributors were therefore most reluctant to encourage investment in a product whose future was dubious. All those who took part in the gold Maple Leaf program, and more specifically the representatives of the gold mining industry, are very anxiously waiting for a favourable decision on the part of this Parliament, hoping it will agree to extend the gold coin programs.

[*English*]

That is why I am most pleased at the prompt and complete way this chamber has decided to deal with this bill at this time.

The Canadian gold coin program, that is, the $100 gold coin commemorating special events and the $50 gold coin commonly known as the gold Maple Leaf, are prestigious items for Canada and have attracted world wide attention to the importance of the gold mining industry in our country. I hope the House would proceed with the debate, but I would call it five o'clock. I understand the Chair will be reading the questions to be debated on the late show this evening, and then perhaps we will proceed with this debate.

• (1700)

Mr. Baker (Nepean-Carleton): No, with private members' hour.

Mr. Blais: I thought we had done away with that.

Mr. Knowles: No, just Mondays and Tuesdays.

The Acting Speaker (Mr. Blaker): Let me deal with the questions to be debated at the time of adjournment this evening. It seems to me from information I have received that there is no agreement to dispense with private members' hour, so we will be proceeding with notices of motions, specifically No. 33 and the continuation of the remarks of the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Laniel). Perhaps while I am dealing with some of these topics we will discover whether there is an understanding. I will deal with the matters I have before me at this time.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—The Economy—(a) Statements made by Leader of Liberal party in Ontario. (b) Low interest rate paid on government annuities; the hon. member for Halton (Mr. Jelinek)—Energy—(a) Request for reduction in federal share of revenues. (b) Energy tax rebate program; the hon. member for Algoma (Mr. Foster)—Environmental Affairs—Result of

minister's discussions on acid rain with United States Secretary of the Interior.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, private bills, notices of motions (papers), public bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

Items Nos. 22, 5, 4 and 35 allowed to stand by unanimous consent.

FOREIGN INVESTMENT REVIEW AGENCY

REDUCTION OF SHAREHOLDINGS BY TATE & LYLE HOLDINGS LTD. IN REDPATH SUGAR LIMITED

The House resumed, from Thursday, February 12, consideration of the motion of Mr. Herbert:

That an Order of the House do issue for copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review agency that Tate & Lyle Holdings Ltd. reduce its shareholdings in Redpath Sugar Limited.

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to continue the remarks I began the last time motion No. 33 was before the House on February 12, 1981. Notwithstanding all the opinions which were expressed in good faith at that time, I think it is my duty to put forward some of the facts and rules laid down in the law which dictate the actions of FIRA, the Foreign Investment Review agency.

[*Translation*]

Mr. Speaker, as I have just said, I am pursuing the comments I started on February 12. The hon. member for Vaudreuil (Mr. Herbert) moved that an order of the House do issue for copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review agency that Tate & Lyle Limited reduce its shareholdings in Redpath Sugar Limited. It is surely not the first time that this motion has been discussed in the House, since the member introduced a similar motion in 1979. On that occasion, the House was told that the Foreign Investment Review agency had been advised by its chief legal adviser that the said documents were deemed to be privileged under section 14 of the Foreign Investment Review Act.

The motion was discussed further on November 22. The member for Vaudreuil again introduced that motion during this session, that is on January 14 last, and I advised him in an answer which I gave in the House on behalf of the Minister of Industry, Trade and Commerce (Mr. Gray), minister responsible for the administration of that act, that the agency

had received a legal opinion once again to the effect that the said documents were privileged.

What the hon. member is again asking is that the government disregard the provisions of an act adopted by Parliament. Section 14 of that act clearly stipulates as follows, and I quote:

Except as provided in this section, all information with respect to a person, business or proposed business obtained by the minister or an officer or employee of Her Majesty in the course of the administration of this act is privileged and no person shall knowingly, except as provided in this act, communicate or allow to be communicated to any person not legally entitled thereto any such information or allow any person not legally entitled thereto to inspect or have access to any such information.

Without such provisions, Mr. Speaker, for all practical purposes the review process prescribed in the act would be well nigh impossible. Let me explain. When filing a notice the investor must describe his intentions and during the meetings which generally follow he reveals, perhaps not details of a confidential nature, but at least all sorts of information concerning his operations. How can anyone expect an investor to disclose to the government, through the agency, every aspect of his situation, his projects and his intentions if that information is not to be held confidential? He has therefore every right to expect that this information will not be released, at least prematurely, to third parties and, in particular, to potential competitors.

Before deciding whether a proposal is likely to be of significant benefit to Canada under the terms of the act, the government must obtain from the investor very precise information on his projects as well as on the parent company on which he depends and, should it be the case, on other corporate branches. It is obvious that in many cases the disclosure of that kind of information might be detrimental to the investor in the conduct of his business. That is why it was absolutely essential to include section 14 in the act, which reads as follows, and I quote:

Any information with respect to a person, business or proposed business obtained by the minister or an officer or employee of Her Majesty in the course of the administration of this act may,

(*a*) on request in writing to the agency by or on behalf of the person to which the information relates or by or on behalf of the person or group of persons carrying on or proposing to carry on the business or new business to which the information relates, be communicated to any person or authority named in the request, or

(*b*) for any purpose relating to the administration of this act, be communicated to a minister of the Crown in right of any province or to an officer or employee of Her Majesty in right thereof.

In other words, Mr. Speaker, the minister cannot disclose confidential information on an investor other than within the scope of the act and, to do so, he must secure the expressed and written authorization of the person from whom the information comes in the first place. On the other hand, it may happen that, over and above that permission, if a company files an application with the review agency and makes certain details public or publicly announces that it has applied to take

over another company, then a certain part of the information is disclosed because it has already been made public.

Mr. Speaker, when the hon. member raised the matter in 1979, the agency had asked the company concerned to authorize the disclosure of the information involved but this was not allowed. Such a refusal should not come as a surprise. Those papers include, among other things, very confidential information on the financial situation of Redpath Sugar Limited and of its parent company. If that information was ever supplied to the government, it is precisely because those companies were protected under section 14 of the act. Otherwise, probably it would not have been disclosed . Those companies did not want that information to be made public, and therefore they did not permit the agency to disclose it, which they had a right to do under the Act.

● (1710)

Section 14 provides for access to information which is essential to the assessment of a proposed investment while assuring the investor that the information is obtained under the seal of secrecy. On the other hand, because of that secrecy requirement, the reviewing process appears to be an operation which the government wants to hide from the public. On the contrary, we try to make the implementation of the act better known, better understood. But we are forced to comply with the act as it is now.

If the minister is planning to amend it so that in certain circumstances some information can be made public or made available to some people, under certain requirements, then we shall see. In the meantime, this act is the law of the land and those who have to implement it must comply with it.

This act gives a privileged character to the information provided by an applicant in the reviewing process of his proposed investment. It would simply be illegal and shameful not to abide by section 14. It would be a breach of trust, just as if we publicized information drawn from income tax returns, and submitted it to the government with the understanding that it would be used only for specific and limited purposes and that it would be kept secret. Would the hon. member himself be willing to let information contained in his income tax return and provided under the seal of secrecy be made public in a high-handed way if he had submitted an application for investment? Corporations have the same right to confidentiality as individuals.

Mr. Speaker, the hon. member for Vaudreuil is well aware of the laws that govern the business community and of the fact that the disclosure of confidential information concerning the way a corporation operates may have detrimental effects.

I am sure that many businesses operating in Vaudreuil, especially along the Trans-Canada highway, would be reluctant to submit an application for investment, acquisition or some other type of transaction if they thought that the data they are submitting to FIRA could be made known to all members of this House. How could FIRA be made to operate efficiently if, as a result of a motion such as this one, the government could disclose information provided under the seal of secrecy? Do you know of any investor who would be willing to make his plans, projects, financial situation, and R & D programs known if there were any risk of having all this information made public because of a motion introduced in this House? Do you know of any corporation who would want to invest in Canada if it thought that any data submitted in support of its application could be disclosed?

Did the hon. member not express some concern that implementation of the law would have a negative effect on the inflow of foreign investment? This would certainly be the case if we were to change the rules of the game so that the information provided by the investors to the agency when making an application could be disclosed. In fact, there are people who maintain that the very existence of a review procedure, the fact that a company has to provide information and meet requirements, does act as a deterrent to foreign investors. These people consider this procedure bad economic management since they believe that we in Canada need all the foreign investors we can get, whatever access they might choose to get into this country. Therefore, if we want to go on promoting investment, the procedure used must reduce significantly the risk that the information which any company wants to keep confidential will be made public.

However, data obtained from many sources belie the contention of the hon. member and of those who believe that the agency discourages investment. Until now, and this is probably due to this same section 14, according to a recent report published in the United States entitled *Survey of Current Business*, American subsidiaries in Canada were planning on investing over $11 billion in 1981, and this figure is second only to the investment forecasts for the United States as such. The reviewing procedure in its present form does not discourage direct foreign investment. It simply ensures that such investments will bring significant benefits to Canada. I shall come back to this point later on.

However, when one analyses the direct foreign investment figures, it is important to remember that this type of investment represents only a very small portion of foreign investments in Canada. They are greatly exceeded by portfolio investments, which do not come under the Foreign Investment Review Act. Moreover, foreign investment, whether direct or by portfolio, represents a very small part of all capital invested in Canada. Thus, since 1961, direct foreign investment accounts on an average for less than 3 per cent of the total savings used by Canadians or Canadian businesses to finance capital build-up in Canada.

Mr. Speaker, to come back to the role of the agency and the reviewing procedure, it would be wrong to believe that it is limited to recommending granting or refusal of an investment application as it was originally submitted. Consequently, it

would be wrong also to think that the agency does not fulfill its role in posting authorization rates between 80 and 90 per cent. This is definitely missing the point. The agency and the review process were set up to ensure that direct foreign investments would bring significant benefits to Canada. The major part of the agency's assessment work is aimed at improving the quality of the proposed investments and negotiating other particular commitments. For example, according to a recent survey by the agency's research personnel, $5 billion has been invested and 70,000 jobs created as a result of foreign investments.

I am going to conclude my remarks, Mr. Speaker, although I cannot reach the end of my notes which I would have liked to do. However, I should like to suggest to the hon. member that what he is now attempting to do, and I appreciate this, is not to destroy the agency, because he himself paid tribute to those who have been operating the agency over these last few years. According to the honourable member, his request is aimed at ensuring that the agency can receive an extra mandate, under which it could, once a favourable decision has been rendered, have the legal means either directly or through the government, to make recommendations in such cases where a company committed to "Canadianize" its operation or do research and development work would fail to live up to its commitments, then the agency or the government could move and even publicly accuse or blame the company for it. Certainly the reason behind the hon. member's request is quite valid, and I am happy to see that he has a few minutes left to conclude the debate and perhaps explain the extra means he is contemplating for the agency, and how certain confidential information that cannot now be made public under the act could be publicized.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. In the absence of any other hon. members' seeking the floor, I will recognize the hon. member for Vaudreuil (Mr. Herbert). He will have five minutes to conclude his remarks, and that will end debate on this motion.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my colleague, neighbour and good friend, the hon. member for Beauharnois-Salaberry and the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Laniel), stole a few of my notes in his closing remarks, but I will briefly summarize. My colleague says I raised this matter in 1979, but I raised it many years before that. In fact, I spoke in much the same vein in 1977. My bringing this subject to the floor of the House, as I said in the speech I made in this House on February 12 of this year, was stimulated originally by my interest in the subject of sugar, sugar imports and the promotion of the sugar trade with Caribbean countries.

● (1720)

I mentioned in my notes, in addition to the implications of the Foreign Investment Review agency, that in the case in question there was also the involvement of the Export Development Corporation and the Canadian International Development Agency. I said that I certainly liked this kind of co-operation. However, I am certainly not going to take issue with anything said by the parliamentary secretary concerning the review agency. Why should I? I was chairman of the committee that studied the Foreign Investment Review Act which led to the creation of the agency and tabled the report of that committee in this House. However, I took the opportunity in my remarks on February 12 to express some of my concerns, and if I can quote from a letter:

> —you and other interested Canadians . . . cannot become party of information which, if released, might put Canadian firms at a competitive disadvantage.

As I pointed out before, we should be a little careful here since there is often far more information released in the United States than here. We are probably going to have to look soon at the limitations we put on disclosure in Canada.

My main concern in connection with this case was that Tate & Lyle Holdings Ltd., the parent of Redpath Sugar, was to divest itself of its interest in Redpath as soon as the financial position of Tate and & Lyle recovers sufficiently. And I said on February 12:

> —it means in effect we are waiting for a time when Canadians can be expected to pay more for those shares.

That is what bothers me. I also said:

> There is no public accounting of how well companies have fared in meeting the undertakings to provide significant benefit, and the agency at one time estimated that approximately 20 per cent of the cases failed to meet the original undertakings.

At some point in time surely we are going to have to have some more public accounting of the manner in which these companies are allowed to skip off without meeting the original undertakings. As I also said on February 12:

> —in the minds of members of the public there is some doubt as to whether there is any strength to the original agreement, and we are . . . concerned about enforcement.

I think I have made my point. The parliamentary secretary has replied and there is obviously no point in going any further with this issue. I have raised it now on at least three separate occasions. I understand the minister at some time in the near future is likely to be bringing to the House some position paper on the agency which may change the regulations somewhat to provide for a greater degree of disclosure. This is my small effort in trying to push the minister into coming forward a little earlier, I hope by the beginning of the next session, with some minor changes in the operation of the agency that will get rid of the degree of concern which the public has at the present time as to the way the larger companies may be getting around the agreement.

With that, Mr. Speaker, if I can have the agreement of the House, I would ask that the motion be withdrawn.

The Acting Speaker (Mr. Blaker): Does the House agree to the request of the hon. member for Vaudreuil and give unanimous consent to the withdrawal of motion No. 33?

Some hon. Members: Agreed.

Motion withdrawn and order discharged.

The Acting Speaker (Mr. Blaker): I understand there may be a disposition to have the Chair call it six o'clock. Is that correct?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At 5.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CURRENCY AND EXCHANGE ACT

MEASURE RESPECTING ISSUANCE OF GOLD COINS

The House resumed consideration of the motion of Mr. Blais that Bill C-68 to amend the Currency and Exchange Act be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. Minister of Supply and Services (Mr. Blais), I might mention that I have been informed by one of the Table officers that we would go down in history if the Chair itself were to call a quorum; but time is getting on.

When debate was interrupted at five o'clock, the hon. Minister of Supply and Services had the floor.

Hon. J.-J. Blais (Minister of Supply and Services): I had nearly completed my remarks. I was just about to wind up. The hon. member for Winnipeg North Centre (Mr. Knowles) is saying that I was just going to distribute samples; but I placed a condition that there would have to be more than 35 hon. members in the House at the time that we resumed debate. Unfortunately, we are missing about fifteen.

I would simply like to wind up my statement by stating that the program has been a very positive experience in the past three years. I am hopeful that it will receive very prompt passage by the House so as to remove the uncertainty in the marketplace in terms of the ongoing nature of the program. As Your Honour recognizes, initially this program was to be for three years. As of the first of January, 1981, there is no possibility for us to proceed with this program unless this amendment is accepted by the House.

One can imagine that in the marketplace where, in effect, gold coins are purchased for collection purposes, and indeed for speculation purposes, there is a great deal of interest in terms of whether or not the program is to be continued. We have managed in the recent past to take something like 30 per cent of the Krugerrand's market away from it. With the very aggressive marketing which has been conducted by the Mint and by officials of the Mint, I am sure that we would be able to take a larger portion of that particular market. Having said that—

[*Translation*]

I suggest that in the very near future, the bill be passed in all stages, in order that we may remove the uncertainty which exists on the domestic and international market.

● (2010)

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a privilege for me to be able to follow the hon. Minister of Supply and Services (Mr. Blais), who gave an excellent dissertation on the Canadian Maple Leaf coin program. He told us that this has been a very successful program, and I am inclined to believe him. In fact, we have every evidence to suggest that it has been a very successful program. The minister was kind enough to send over to me at short notice, the report that Price Waterhouse had made on this program. Of course I have not been able to read it in detail, but have just glanced over it. It would appear that the conclusion reached by that firm is that the program is operating as it should and there are no major faults with it. As the minister said, we have been successful in taking over about 30 per cent of the market for the Krugerrand-Maple Leaf type of coin.

This program has been in effect for three years, and it has benefited collectors and people who appreciate the Canadian Maple Leaf coin as a work of art. It has entered the speculative market and it has also provided a vehicle for people to maintain a store of value. With ever-increasing inflation under a succession of Liberal governments, it is no longer possible to store value in dollar bills or in bank deposits. Therefore, many people who have looked to the Krugerrand, and then, three years ago, to the Canadian Maple Leaf for this store of value, are not really speculators but they need such a vehicle because they have so little confidence in the Canadian dollar, with good reason.

I would certainly also like to extend my congratulations to the section of the Royal Canadian Mint which deals in numismatics. I have written that word down because it is sometimes hard to pronounce.

Perhaps the Minister of Supply and Services would be kind enough to confer with his colleague, the Minister of Industry, Trade and Commerce (Mr. Gray), because, as I understand it, some of the blanks for proof coins cannot be manufactured in Canada. Most of the gold is Canadian gold, or is said to be Canadian gold; but to obtain the very lustrous and very fine finish on some of the blanks, I understand that this work must be done in the United States. The gold is shipped out of the

country for a certain amount of processing and shipped back into Canada. I believe the actual stamping is done over in Hull.

It would appear that large profits have accrued to the Canadian Mint and to the Government of Canada as a result of the Maple Leaf program. Had these profits been made in the private sector, I am sure that our good friends to the left would have had a good deal to say about the matter; but since the profits which have been realized have been helping to defray general levels of taxation in Canada, that meets with everyone's approval. We on this side would certainly like to see the Canadian Maple Leaf program extended. We have certain objections to the bill as it stands before us, but that is not one of them. We want to see this program go ahead. We think it has been of benefit to Canada. We were pleased to be supporters of the project some three or four years ago, when it was first brought to the attention of the government by the Canadian mining industry and by coin dealers in this country. It is one of those areas where something was able to be done, with the support of all parties in the House, and has proven to be successful.

Our concern in this matter relates to the blanket authority which the Minister of Supply and Services is seeking forever and ever. If Your Honour will recall, when the amendments to the Currency and Exchange Act were made approximately three years ago with Bill C-37, it was done with a backdrop of the problems which had been experienced with the issue of Olympic coins. That program did not work out anywhere near as well as it should have, and certainly not as well as the Maple Leaf program has worked out. We have obviously learned from our mistakes. At that time, we on this side of the House had a concern. We did not want to give the government blanket authority forever and ever to issue gold coins in whatever denominations it wanted, or whatever purity, or whatever type or whatever specifications. That is why at that time we put the deadline at January 1, 1981 and I think we would like to keep it to that. It might be argued that the program has proved to be successful or that historically, the issue of coinage has often been a matter of royal prerogative. Apparently that has not necessarily been the case in the past in Canada, although in a lot of jurisdictions the right to issue coinage has remained with the Crown and outside the control of Parliament. In Canada, the practice has been to have a fair amount of parliamentary control over the issue of coinage.

● (2020)

Apart from that particular concern, which I shall return to later, Mr. Speaker, I have a similar but slightly different concern with Section 4(2) of the act as it stands at present and as it will become if amended by Bill C-68. It seems that we are specifying something in a schedule to an act of Parliament and then giving authority to the governor in council to change the act by means of an order in council. It would be my contention that if something can be changed by order in council rather than by an act of Parliament, then, in the first place, it should be left to regulations. Regulations can be changed by that mechanism. However, if it is important enough in the first instance to be put in an act of Parliament, then why should we give to the governor in council the authority to change it?

This particular case does not involve anything of great, overriding concern, but there have been cases in the past where Parliament has come a cropper by granting that type of authority. I might cite the Northern Pipelines Act, for instance. Certain conditions were laid down in that act—not in the regulations but in the act—and then the authority was given to the governor in council to change them. We might just as well have left them in the regulations in the first place. All we did was to give ourselves a sense of security that never really existed.

I believe that the minister and the Royal Canadian Mint would like to see the bill passed into law as quickly as possible. I can understand that all ministers want their bills passed into law as quickly as possible, and always consider that their bill should have the highest priority. However, in this case I can well understand the concern of the gentlemen at the mint. Perhaps the minister has not been as diligent as he should have been about bringing this legislation forward so that we could give it the full examination it should have. Whereas we cannot accept the bill in its present form and would not give unanimous consent for it to be dealt with in committee as it stands, and then give it third reading today, if certain changes were made, then I think that might be possible.

If the government would accept an amendment to limit the time period and instead of substituting the words "from time to time" in Section 4(1) and (2) for "at any time before January 1, 1981", "at any time before January 1, 1985", that would buy an extra four years. It would put a four-year limit on the authority to be granted by Parliament to the Minister of Supply and Services. That approach would certainly meet with my approval.

Perhaps during the time that remains of my speech, some form of arrangement could be made along those lines. I hope it can because we on this side really do not want to jeopardize the Canadian Maple Leaf coin program.

I was looking forward to the opportunity to ask some questions on the Price Waterhouse report in the Standing Committee on Finance, Trade and Economic Affairs to which the bill was to have been referred. I had also hoped to have an opportunity to question officials of the Royal Canadian Mint. If that opportunity does not present itself because of an arrangement that may be reached in this House tonight, perhaps it will be possible at a future date. Many of us have a great deal of interest in this subject.

I represent a gold mining area, Mr. Speaker. I am coming now to the part of my speech that the Minister of Supply and Services warned me not to go on about at length and that is to extol the virtues of the gold mining industry in my constituency. I shall be as brief as possible.

The gold mining industry is of great importance to the Northwest Territories. We produce about 200,000 ounces of gold per year. That brings about $100 million of new wealth into the Canadian economy. We are justifiably proud of that

and I should like to think that some of our gold goes into the Maple Leaf coins and that a fair number of those coins come back to investors in the Northwest Territories. There is a program of capital expenditure of around $150 million in progress and on schedule, to develop another major Canadian gold mine.

Gold mining is of such importance to the Northwest Territories that on May 1, 1981, native gold was proclaimed the official mineral emblem of the Northwest Territories. If you would permit me, Mr. Speaker, I should like to read that proclamation into the record. It is not very long and reads as follows:

WHEREAS Gold has long played a major role in the development and prosperity of the Northwest Territories;

AND WHEREAS Gold is emblematic of the enduring value of the wealth of the Northwest Territories;

AND WHEREAS Gold is a fitting symbol of the bright prospects and future of the Northwest Territories;

NOW THEREFORE, by virtue of the power vested in me by the Northwest Territories Act of the Parliament of Canada

I hereby order and declare:

That gold be hereafter deemed and recognized to be the Mineral Emblem of the Northwest Territories.

Done at Yellowknife under the Seal of the Northwest Territories, this 1st day of May 1981.

John. H. Parker
Commissioner

I just thought that somebody might be interested in that.

A part is played in the gold mining industry of Canada by the mint that many people are not aware of. Most Canadian mine production is refined at the Royal Canadian Mint. I should like to take a few minutes to say something about this as I have never heard it referred to in Parliament.

In particular, I should like to compliment Mr. Roger Parisien, the manager of the gold refinery at the Royal Canadian Mint. This is one of the few federal Crown corporations about which I have anything good to say. It never seems to make political headlines and we do not hear very much about it in the press. That indicates the good job the mint is doing. Their charges for refining are quite reasonable. They go out of the way to assist the smaller gold producers and the smaller dealers in scrap gold and scrap jewellery. I think the refiners who work there, and there are several of them, deserve the compliments of this House. I referred to the increasing necessity to refine scrap jewellery at the Mint. That is, of course, having some effect. This particular material is rather hard to deal with. Very often it has a low gold content and many impurities mixed therein. During the chlorination process, an abundance of fumes are given off. If possible, I would like the Minister of Supply and Services to go to the refinery at the Mint where they process some of this low-grade scrap jewellery so that he can see for himself the type of working conditions which the people have to endure while they process this material. Because of the fumes, the atmosphere cannot be that healthy. Much of their equipment is somewhat antiquated and is not really designed to handle scrap jewellery. Perhaps the minister could keep that in mind.

• (2030)

I do not always agree with the over-all gold policies of the government. One aspect of the government's policies which I find most objectionable is that of selling Canada's gold reserves by the Minister of Finance (Mr. MacEachen). I have to admit that the proposal to do this was made originally in the 1979 budget. The idea was to sell off about one million ounces of Canadian gold reserves. But amounts considerably in excess of that have been sold to generate money. Maybe because of high gold prices, that policy has realized a fair amount of profit to the Government of Canada. I may be faulted on that statement, but I would not like the Government of Canada to be engaged in speculative activity on the international gold market. The use of Canadian gold reserves from time to time to produce Maple Leaf coins, when the amount of gold coming in through normal commercial channels is not sufficient, might be okay if we can use our reserves to make up a fluctuating supply. But as a general idea, just to sell off reserves is not something we should do, in my opinion. Reserves in the order of 20 million ounces are about right for a country like Canada. If we take a look at European countries, such as France, we see they are very reluctant to let a draw-down occur in their gold reserves. They like to accumulate gold. I do not think that we in Canada should go overboard accumulating gold, but, by the same token, we should not let our reserves draw down too far.

The classic example of draw-downs on stockpiles of that nature happened in the United States under the Nixon administration. It was used as a technique for getting more money without imposing additional taxes. They allowed the sale of much of the GSA stockpile, strategic minerals for which there was a requirement. But that was done to get ready cash. I hope that we in Canada will not be following that procedure.

That is as far as I want to go on this subject. In general, we are in agreement with this act, with the one provision that I have mentioned. We would certainly like the Canadian Maple Leaf project to continue and grow from strength to strength. That being the case, I hope I have allowed sufficient time for some kind of accord to be arranged. I hope that this bill can receive as swift a passage as is possible.

Mr. Kelly: Mr. Speaker, in a spirit of compromise I would like to ask with the consent of the House, that we proceed through all stages of the bill this evening.

Mr. Nielsen: No, I do not think we can give that consent, Mr. Speaker. What is the compromise?

Mr. Kelly: Mr. Speaker, I am asking if there is agreement on the figure originally mentioned by the last speaker.

Mr. Blais: Mr. Speaker, if I might be helpful, there was discussion at the outset that an amendment might be forthcoming to provide for a ten-year period.

Mr. Nielsen: The hon. member mentioned four years.

Mr. Blais: I know that will show in the official record, but I had the impression at one time that there was an offer to proceed with the program for another ten-year period, which was acceptable.

We are very concerned about the marketing aspect. As the report indicates, the marketing aspect is one of the areas on which we have to concentrate, and the uncertainty of an additional short period, such as that contemplated in the initial trial period is detrimental to the marketing plans for the Maple Leaf coin. We would like to provide a sufficiently long period to give investors and development dealers in the international marketplace a certainty that the program will continue for a relatively substantial period of time. Anything less than ten years would not be substantial under the circumstances.

Mr. Nielsen: Mr. Speaker, I rise on the same point of order. If the bill were confined to the Maple Leaf program, that would be one matter and the compromise suggested would probably find acceptability. But the bill goes far beyond that. It goes into the unlimited minting of gold coins at any time that the governor in council should choose, for whatever program. Therefore, it is not confined to the Maple Leaf program.

I appreciate the problem with the Maple Leaf program, and I want to facilitate that. Could the minister, on this point of order, answer two questions? First, since Parliament is in essence relinquishing its control over the minting of gold coins to the cabinet, would a five-year term affect the marketing concerns which the minister and the government have? Would it be too short? If so, perhaps an explanation could be forthcoming.

Second, if the bill went to committee, what effect would that have on the Maple Leaf program in terms of the marketing concerns expressed by the minister?

The Acting Speaker (Mr. Blaker): If the House is prepared to give its unanimous consent, the hon. Minister of Supply and Services (Mr. Blais) might reply to those questions.

Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Blais: Mr. Speaker, first, the impact of the five years is that it would create uncertainty in the program. As the hon. gentleman knows, the Maple Leaf coin is minted on the basis of whatever demand there is in the marketplace. In effect, we deal with international dealers who receive certain allotments on the basis of the demand in the marketplace. Individuals will of course gear their own inventories based upon the certainty that there will be an available supply for the long term. That is the basis of our distribution system. That is why the five years is not satisfactory.

• (2040)

I would point out to the hon. member that we are not removing parliamentary control. There is a provision in the previous amendment to have a report tabled every six months on the administration of the program. That provides an opportunity for members of Parliament to review the administration of the program and to offer criticism. I have a responsibility of course to provide the ability to proceed with orderly marketing of the commodity. That is the system I am now advancing. There has been a trial period. A report has been prepared as a result of that. The report is positive. However, it does indicate that there have to be some additional aggressive measures taken in terms of marketing, and we are proceeding to do that. We cannot do that without having a period of time available to us which is sufficient for us to meet the requirements of the market place and our distributors.

Mr. Nielsen: Mr. Speaker, the other part of the question which the minister overlooked answering, I presume because he forgot it, is whether it would in any material way affect the concerns of the minister with regard to marketing the Maple Leaf program if this measure did not go through all stages tonight, but went to a committee where members would have the opportunity of perhaps hearing from the domestic dealers and gaining some idea of the international implications of the marketing program. Would sending it to committee seriously prejudice the marketing of the Maple Leaf program?

Mr. Blais: I did not understand that question. I must have been discussing some other matter at the time it was being posed. Yes, it would create some difficulties. The hon. member has been here for a long period of time.

Mr. Nielsen: Don't get personal.

Mr. Blais: He knows there is a great deal of uncertainty attached to House schedules, additional House scheduling, and that hopefully we will be out of this place some time before the end of July. What is going to happen in that regard is a matter of some future statement by the government.

The distributors are anxious to have a decision so that they can gear their demand for the Maple Leaf coin with the marketplace and market demand, not only in Canada but abroad. Unless this bill is passed as soon as practicable, we may be in a situation where our market efforts abroad will be seriously impaired by distributors who do not want to take our coin because they do not know when the program will go ahead or what form it will take after it gets through the committee. That is why I am concerned about it. I know the hon. member for Yukon and the hon. member for Western Arctic are as well because of the importance of this gold coin program to the gold industry in Canada. Therefore, any co-operation I can obtain from hon. members to get this bill through this evening would indeed be appreciated.

Mr. Nielsen: Mr. Speaker, will the minister provide us with a copy of the amendment which he will be proposing to clause 1 of the bill? I presume it will be deleting the words "from time to time" in subsection (1) and (2) of section 4 of the Currency and Exchange Act and substituting therefor, the words "at any time before January 1, 1990". I presume that would be the amendment.

Mr. Blais: 1991.

Mr. Nielsen: If we could see the wording, we would be very happy to consider it.

Mr. Knowles: Mr. Speaker, the hon. member for Yukon comes pretty close to a suggestion I was going to make. Indeed, Your Honour must be wondering under what rule we are operating having these questions with Your Honour in the chair. I wonder if we could agree to give the bill second reading and take it into Committee of the Whole instead of sending it to a standing committee. These questions back and forth could be asked and answered and there could be an understanding that if there was not a satisfactory resolution, there would be no proceeding to third reading tonight.

Mr. Nielsen: What rule would we operate under?

Mr. Knowles: By unanimous consent we can go to Committee of the Whole.

The Acting Speaker (Mr. Blaker): I understand agreement is near. That is why with the unanimous consent of the House the Chair tolerated the question and answer period. I have the wording before me. It seems to reflect exactly what the hon. member for Yukon is suggesting. I sense that the Minister of Supply and Services will shortly produce that for everyone's consideration. I would suggest that the only way to proceed now is exactly as suggested by the hon. member for Winnipeg North Centre, that is that I seek unanimous consent to move to Committee of the Whole.

Mr. Nielsen: You might have the wording before you, Mr. Speaker, but I do not. No one on this side does. I would like to see it. If we follow the suggestion of the hon. member for Winnipeg North Centre and go to the Committee of the Whole, we lose the possible option of going from second reading to the standing committee. I do not want to lose that option before seeing the wording of the amendment.

Mr. Blais: Mr. Speaker, the wisdom of the hon. member for Yukon and his drafting ability knows, of course, no comparison. In his very astute impromptu amendment he captured the essence of what is sought to be achieved. Surely once he advances that, and I agree with him, on the terms of the formula of what I advanced, he ought not to be concerned that, in the event there is some comma missing in the drafting, I will not agree to the placing of that comma. In the event he is dissatisfied with the amendment on second reading, we could agree to send the bill to committee. I give him that undertaking.

Mr. Nielsen: Like the Minister of Agriculture (Mr. Whelan) I am from Missouri and I would like to see the wording. If the wording is going to affect those four words in those two subsections, I think that would find acceptance on this side. I see no reason why we cannot have that wording while we are in second reading stage. I see it is coming, Mr. Speaker.

Mr. Knowles: Read it out.

Mr. Nielsen: It is the minister's responsibility to do that, but I will read it out. I cannot extend the same compliment to the minister on his drafting. However, the minister suggests:

That clause 1 be amended by deleting in subclause (1) and (2) of clause 1 the words "from time to time" and substituting therefor the words "until January 1, 1991"

If the amendment were worded in that fashion, it would find acceptance here.

The Acting Speaker (Mr. Blaker): Is there unanimous consent to referring the bill to Committee of the Whole?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Blaker in the Chair.

On Clause 1—

Mr. Blais: Mr. Chairman, I am ready to proceed with the adoption of clause 1. However, I notice the hon. member for Western Arctic is getting up in order to ask a question.

Mr. Nickerson: Mr. Chairman, I would like to know why the minister proposes to change the manner of the wording as its exists in subclauses (1) and (2) at the present time. It says "at any time before January 1". He proposes to use the words "until January 1" in such and such a year. What is the reason for this change?

• (2050)

Mr. Blais: Mr. Chairman, I think the point is well taken. The hon. gentleman will know I have not put the amendment yet.

The Assistant Deputy Chairman: The Chair is awaiting what I understand is an amendment to clause 1.

Mr. Blais: I would be pleased to propose that now, Mr. Chairman. The proposal is that Bill C-68 be amended as follows: That clause 1 be amended by deleting from paragraphs 4(1) and 4(2) the words "from time to time", and substituting therefor the words "at any time before January 1, 1991".

The Assistant Deputy Chairman: It is moved by Mr. MacEachen:

That Clause 1 be amended by deleting in paragraph (1) and paragraph (2) of Clause 1 the words "from time to time" and substituting therefor the words "at any time before January 1, 1991".

Shall the amendment carry?

Some hon. Members: Agreed.

Motion agreed to.

The Assistant Deputy Chairman: Shall Clause 1 as amended carry?

Some hon. Members: Agreed.

Clause 1 as amended agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. Members: Agreed.

Title agreed to.

The Assistant Deputy Chairman: Shall the bill carry?

Some hon. Members: Agreed.

Bill reported.

Hon. J.-J. Blais (Minister of Supply and Services) moved that Bill C-68, to amend the Currency and Exchange Act, as reported (with amendment) from the Committee of the Whole, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Blaker): When shall the bill be read a third time?

Some hon. Members: By leave now.

Mr. Blais moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

CANADA ELECTIONS ACT

AMENDMENT TO SHORTEN PERIOD REQUIRED TO HOLD ELECTIONS

The House resumed, from Tuesday, June 23, consideration of the motion of Mr. Bussières, that Bill C-58, to amend the Canada Elections Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, on Tuesday evening when we were discussing Bill C-58 to amend the elections act I was making a few brief remarks. For the information of many members who happen to have city ridings or ridings which are not as large as those some of us represent, I was trying to bring to the attention of the House that those of us who are incumbents in our constituencies have a profile, having served our constituencies for some time, and we can well appreciate that the 47 days compared to the 60 or 59 days would be of considerable advantage, an advantage not enjoyed by those who are seeking election for the first time within a constituency. While that may be desirable to those of us who are incumbents, I suggest the government is shortening the time because it has more incumbent members than my party or the NDP, and therefore this would be an unfair advantage over the two parties which sit opposite the government. It would be an advantage only to the incumbent members.

I have heard members on the government side, specifically the hon. member for Mississauga North (Mr. Fisher), when speaking to this bill, state that there is money to be saved by shortening the time from 59 or 60 days to 47 days. It has been suggested that those of us representing the constituencies would be able under the present act to initiate savings in our areas as well. However, I would draw to the attention of that member that we will still have advertising for the 47 days, and many of us with larger constituencies will find it impossible to complete our campaign in that 47 days.

My own constituency is some 1,800 square miles and the largest centre of population is 6,000 people. That happens to be the Saskatchewan side of the border city of Lloydminster. My constituency flows along the Alberta border along the North and South Saskatchewan Rivers. Coming along the Alberta side, my constituency touches upon three other federal constituencies: the constituency of Vegreville, the constituency of Crowfoot and the constituency of Medicine Hat. My riding follows the North Saskatchewan River all the way around and back up through North Battleford, joining the North Saskatchewan River and back to within 35 miles north of Lloydminster.

When I first started campaigning after being nominated in 1977—and this is for the information of members who do not have to travel great distances by road—I purchased a car and used it exclusively for political work. I bought that car in April 1978—I hope the people from the Department of Revenue are listening—and put 54,000 miles on it by the time of the election of May 22, 1979. Even then I did not have enough time to canvass every community in my constituency. It may be an impossible goal for a member to canvass every dwelling in his constituency, but to do so in 60 days is certainly impossible. The people of Canada deserve the opportunity of meeting their prospective member of Parliament. They should not be denied that opportunity by decreasing the time by 13 days.

When considering the other problems associated with the present elections act I find it strange the government feels that by decreasing the election time by 13 days it will in some way solve some of those inadequacies. I find nothing in the decrease by 13 days that will help those who are shut in at election time. I find nothing in the decrease by 13 days that will help those who feel it is undesirable to vote by proxy but would like to see mobile ballot boxes. This problem is not solved by decreasing the time by 13 days.

Let me draw to the attention of the House some of the problems that will not be solved by the 13-day reduction. The first relates to the provision of a list which is adequately kept up to date, and the second is the differential between the appointment of rural enumerators and urban enumerators used to provide the information for this list.

In regard to the urban enumerators, the party that obtained the greatest number of votes at the previous election would appoint one enumerator, and the party that obtained the second greatest number of votes would appoint the other enumerator in that constituency. However, with regard to

rural ridings, I find that under this bill only one enumerator is to be appointed. I do not see how the incumbent member of Parliament can have any influence in the appointment of that enumerator, if that member happens to sit on the opposition side. Although some might say the government is using this as a form of patronage, I feel it is just an oversight on the part of the government. The government does not realize it has treated rural constituencies in a manner different from the manner in which it has treated urban constituencies.

● (2100)

Provincial constituencies are much smaller than federal constituencies. A federal election campaign in Canada lasts 59 or 60 days. A provincial election campaign in Newfoundland lasts 21 days; in Alberta, 29 days; in British Columbia, 38 days; in Manitoba, 35 days; in Ontario, 37 days; in Quebec, 32 days; in New Brunswick, 36 days; and in Prince Edward Island, 26 days. My constituency is larger than Prince Edward Island. There are more than 30 provincial members in the province of Prince Edward Island; I am the only member from my constituency; I feel I should have for an election campaign at least double the length of time allowed for a campaign in Prince Edward Island. A provincial campaign in the province of Saskatchewan lasts 28 days. There are approximately four and a half provincial constituencies within my constituency.

I do not suggest that I as one man campaigning or any one person assisted by party workers campaigning in my constituency should have four and a half times the number of days to meet the constituents there, but I suggest that the 60 days provided for should not be changed. Forty-seven days is less than double the amount of time a provincial member covering less than one-quarter of my constituency would have to cover his riding. That is one of the reasons we feel that this bill to shorten the period for election campaigns is not something which we would want to see passed without further study.

The hon. member for Mississauga North went to great pains when he was speaking in this debate to point out that several newspapers of our country have called for shorter election periods. He pointed out that the February 3, 1981 Saskatoon *Star-Phoenix* said the following:

> Even a minimum of 47 days appears to be too long in this age of speed in communication with voters.

The *Chronicle-Herald* said the following:

> The bill should be put through and made ready for the next election, and not allowed to be withdrawn for consideration until another session.
>
> And while the MPs are at it, perhaps they might consider further reducing the time allotted for campaigning.

The hon. member for Mississauga North quoted the Winnipeg *Free Press* as follows:

> This time, Canadians, by accident, had a campaign of more nearly European length with no ill effects.

It is a very debatable point that there are no ill effects, when we consider the outcome of the election. The article continued:

> No one could seriously complain that, in the six weeks they gave themselves, the parties did not have an opportunity to get their messages across to the public. Indeed, the job could have been done quite adequately in a couple of weeks less.

The *Toronto Star* said the following:

> Shorter, sharper election campaigns would benefit Canadian democracy by concentrating debate and focusing public attention on the issues and policies involved.

If the basis of this bill's having been brought forward is editorials or statements made by several newspapers in our country advocating a shorter election period, I suggest this government, by following that rule and not following some of the recommendations made in editorials which have been presented in the last six months condemning the government for other actions, is reversing its policy. The government should not justify shortening election campaign periods by 13 days with statements made by newspapers. Its justification should be the will of the people.

Some constituents have complained that election campaigns seem to be unduly long. Some people have been absolutely fed up with listening for 29 days to political advertisements on television, seeing them in the newspapers or hearing them on radio. However, this will not be affected by the change in this act. I think it is therefore an injustice to anyone seeking election to this House of Commons to shorten the time. The constituents I serve feel they are too far removed from their member of Parliament. I am 2,000 miles away. I am here for five days a week and home only for two. My constituents do not have an opportunity to discuss with me the issues they feel are important. By shortening the period of election campaigns I think we cause people to be further removed from their members of Parliament and further removed from the House of Commons. They are further removed from their representatives, and I do not feel that that leads to good democracy. I do not think that further removing constituents from their members of Parliament will add anything to the democratic process.

In my constituency and in others we have the benefit of fairly good main thoroughfares. However, some of us must follow railroad lines, some of them built 70 years ago. Many of the villages in Saskatchewan were established along such railroad lines anywhere from six to 12 miles apart. The rationale was that that was the distance a wagon of grain could be hauled by a good team. However, people still live in those small villages. There may only be 12 or 20 people. In the larger ones there may be 100. In some towns there may be 500 or 600 people. If we travel by road, we have to stop and get out. We have to go into cafes and elevators. We have to knock on a dozen doors per town. We have to have some time.

I think we would all like to find some way of avoiding extending election campaign periods, but when I was a candidate first seeking office I would have felt that by shortening the campaign, a disservice would have been done to me. If my opponent had been an incumbent, I would have been placed at a considerable disadvantage, especially if I were seeking election for the first time. I was fortunate that my constituency was a redistributed constituency. The member who held the majority of it prior to the May, 1979 election chose to run in a different part of the constituency. My opponent was a former member of Parliament who had been defeated in 1974. He was

known throughout most of the constituency. My other opponent enjoyed about the same recognition as I. However, if I had been running against an incumbent, I would have had much more difficulty.

As I said at the outset, I campaigned from October of 1977 until May 22, 1979, and I did not cover my constituency. I did not meet every member of the electorate, as I would have loved to do. By shortening the election campaign period, we are denying the electorate the opportunity to meet members, we are denying members the opportunity to meet their constituents and we are placing new office seekers running against incumbents at a disadvantage.

In closing, I would like to say that I cannot possibly speak in favour of this bill and support it when there are so many inadequacies within our election system. The inadequacies of which I speak are greater than and in addition to the difficulty in having to campaign for 60 days.

• (2110)

I think everyone is aware this bill was originally drafted by our government, and the reason it was drafted then was that we were in a minority position, an election was imminent and we did not have the ability the present government has of waiting three or four years before having to go to the people. Right now, Mr. Speaker, we have three or four years before another election. We are now in the middle of the ten-year census started June 3, which will bring forth more information as to population distribution and redistribution of constituencies, and indeed, Mr. Speaker, as to whether there will be more seats added to this chamber after the census.

I could understand it if the government had brought forward legislation encompassing the whole of the election act so that we might better be able to conduct an election on the basis of the 1981 census. If that were done and the census information were included—although I do find difficulty in accepting the shortening of the campaign period—and if it were coupled with some moves that I felt were of advantage to the people of Canada, I could accept it. However, as I look at the act now and this shortening of the campaign time, I find it is of advantage only to incumbent members, therefore of greater advantage to the government members because they have more incumbents than we do. Therefore, Mr. Speaker, I would not be able to support this act.

I would also like to say, while we know that in speaking to this bill we are confined to general statements about the reduction of time, Mr. Speaker, there is again the need to establish a permanent voters' list. There is a need for mobile ballot boxes, and a need to ensure that those unable to vote at a particular time are still able to cast their ballot. I do not see that in this bill. I do not think it is anyone's intention either on this or on the government side to deny anyone the right to vote, but when we look at this bill and at the things I just mentioned, we do not see them. So what we would like to say, even though some of us are speaking against the bill as it is, is that we would very much welcome the government bringing about additional changes to the elections act so as to bring democracy closer to the people of Canada.

There is one thing that has always concerned people of urban and rural constituencies, and in looking at this bill I see it has not been changed. People in rural constituencies who are left off the election list can have a neighbour who is on the list vouch for them and affirm on the day of the issuance of the writ that they are residents. The urban voter does not have that right, I do not know why. I do not think it is because the government of the day felt that the people in urban Canada have no neighbours. I am sure they have them, as we do on the farm. So I think in terms of equality that provision should be in the bill.

I would like to thank you, Mr. Speaker, for giving me the opportunity to speak on this bill, and let me say again that if this bill had in it more changes to the act than merely the shortening of the campaign period, I could find myself supporting it.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I rise to express some very serious concerns, many of them along the same lines as those raised by the previous speaker. As an individual who has been active in the voluntary political process for more years than I care to remember, I find no redeeming social or political value to this bill whatsoever. The bill is described as follows:

> The purpose of this Bill is to shorten the period required to hold a general election from approximately sixty days to forty-seven days. The proposed period would apply to both general elections and by-elections and would be obtained by replacing the requirement that preliminary lists of electors be printed and sent to electors with a requirement that preliminary lists be reproduced in reduced numbers by photographic or other means and that a notice of enumeration be sent to electors.

There is nothing in the bill that refers to any meaningful reform in the electoral process along the lines suggested by the previous speaker. I agree with some, disagree with others, but there is no mention of electoral reform here at all.

The major reason for my strong disagreement is that I believe the bill is wrong in principle and worse in practice. Elections and the political process are too important to be left to politicians alone. They are too important to be left to those who hold elective office, to the paid pros in the political business. They are too important to be left to those who benefit directly in the advertising industry, the professional public relations "flacks" and, if I may use the term—and I mean none of these terms in a derogatory sense at all—the few, the regulars, the party hacks—and I use that in the best sense of the term because I have the utmost respect for those people who continually give of themselves on a paid or unpaid basis in a profession or field which is singularly unappreciated, I think, by most Canadians. However, it is too important a business to be left to those who engage in it for reasons of livelihood or merely because they have a great deal of zeal for the game of politics itself. The political process and elections are too important. To me and to many others, it is important to have people involve themselves in political activity who, while they realize and understand that the business of government is important, usually have other things on their mind, such as earning a

living, running a home, paying the grocery bill or trying to build their own business, whatever 1001 things ordinary people see as their priorities in day to day living. Politics is not the be-all and end-all for them, but if democracy is to be healthy, it is important they become involved at some point. You need time to generate activity during the course of an election campaign because ordinary Canadians, the average Joe and Jane who are not thinking about it day in and day out, are not really hit by the fact that they have a choice to make and should become involved when an election is called. For those relatively few in this society, and in most societies for that matter, but for those tragically few in Canadian society who take a serious interest in the business of government and in the business of politics on a continuing basis, to go out and find the people to tap whose interest must be shaken and awakened to get them to participate requires some lead time before you get into the active part of a political campaign.

● (2120)

It seems to me it is vital, and to many others with whom I associate, that we provide the lead time required after the calling of an election, especially in rural and widespread urban-rural constituencies. We must provide time for those ordinary Canadians who have an interest, but not an overriding continuous one, in political and public affairs to be located, activated and mobilized in the democratic participatory political process. Apart from any other differences which we might have in our background and ideologies, surely all of us have a commitment to the idea that more ordinary Canadians should be involved in this business.

Another aspect which was touched upon by the gentleman from Saskatchewan who spoke just before me was the fact that most of us realize that it is important to provide more time for personalized contact between those seeking public office and those who provide the support for candidates who succeed. Whether it be the time taken going house to house or farm to farm to visit with different organizations, whether they be unions or chambers of commerce, to provide personal contact which will make the business more relevant and more meaningful allows those people contacted the chance to feel involved. It will give them the feeling that someone out there really does give a damn.

Unfortunately, many of them out there do not think so, incorrectly, I would suggest. I think almost all of us do sincerely care, but there are a great many people out there who do not share that view. In a day and age when more people feel alienated from society in general, and from the political process in particular, I suggest that it would be absolutely wrong to create a bigger gap by allowing less time for that kind of meaningful personal contact between those seeking elected office and those whose responsibility it is to grant the honour and privilege of representation. By shortening the period of election campaigns, we would be allowing less time for individual contact, less time for the kind of effort which can be made at low dollar costs in terms of involving people and getting the message across in a personalized and direct way. I would suspect that not very long afterward the push would be on to go to greater maximums of political expenditures so that we can make up for the other by again stressing the heavy capitalization of adverstising in the mass media. As was mentioned before, that is the kind of campaigning that I object to.

During the last two campaigns, and I am sure the hon. member was referring to the 1979 and 1980 campaigns, a height was reached in terms of the head bashing commercials which went on. It appeared that no one in the media was saying anything positive at all. Whether by cartoon, by card tricks or by pictures of shell games, however it was carried out, there was a sickening attitude felt by the body politic out there which I feel those who drew up those kinds of schedules really deserved. The fewer people we have personally and directly involved, the more of the same we will have. More emphasis will be placed on that kind of meaningless and hostile type of commercialization. It will not be an informative political campaign as witnessed in the last two election campaigns.

In a 47-day campaign how can you begin to organize in a constituency such as my own? I have 13 municipalities in my riding. The last election was a winter campaign and I hope that we will never get into one of those again. But if we do, how do you go about setting up all-candidate forums in 13 municipalities and a number of other rural communities in a widespread rural-urban constituency?

Mr. Jelinek: It was an accident last time.

Mr. Kristiansen: Yes, it was, and you were the accident, my friend.

How do you organize in 13 different communities and do the advertising necessary to allow people to come in and participate? What most people did in our area, and what I suspect they do in many other parts of the country, is to conduct an old-style political forum where people can be tested, where a battle, of wits can be witnessed. In these types of forums the candidates can be cross-examined and put through their paces. That is a healthy process and that is how it should be, if politics is to survive as a meaningful way of life on this continent over the next number of years.

The hon. member who spoke before me mentioned newspaper editorials and the fact that almost all of them called for shortened election campaigns. Quite apart from the fact that I feel they are misled, I feel that it is the media which has the most to gain by over-emphasizing paid commercialism in politics. Over the last number of years, we have become aware of the lucrative opportunity associated with election campaigns. Perhaps they rate next to Christmas, Father's Day, Mother's Day and Easter in lucrative opportunity. I see no redeeming social value to the shortening of campaigns, and certainly the enrichment of the media is not a very worthwhile one either.

As far as the mechanics of election campaigns are concerned, I have had enough to do with returning officers and deputy returning officers over the years to realize how difficult it is for them in many circumstances, even with a 60-day campaign, to find enumerators, deputy returning officers, poll

clerks and the hundreds of other people who must be drawn away from their jobs or homes to successfully provide manpower for a campaign at its present length. The same people are not always there to be called upon. In many cases we tend to rely on the same people year after year, so when a winter election is called, people who would normally participate just cannot manage. It is then that the returning officers in the constituencies must go out in a mad scramble, utilizing all parties, which is good, just to find people who are available and able to be trained in a short period of time. Quite apart from the printing time, it will be very difficult to find people to train, since a great many returning officers go more than a little grey, even with the 60-day provision.

The final point I would like to raise, which has been made before, has to do with the element of surprise being always in the hands of the government. Those within this country who are continually going forth on the binge of calling for fixed election dates often use it as an argument that too much power is in the hands of the government of the day, enabling it to call an election at any time it chooses. I think there are more advantages to the public weal of the current process than there would be in having fixed election dates, such as the process which exists south of the border. There would then be year-long election campaigns, rather than 60-day ones, and the government would be largely inoperative.

• (2130)

However, to shorten the 60 day period even further would really stack the deck, not only in favour of the government of the day, but also in favour of all incumbents. While we who are here at this point may feel rather comfortable at the prospect, we may not always be here, and we certainly were not always here.

I suggest that it behooves us to take a look at what is to the benefit of society at large. One can go overboard. The union to which I once belonged went so much overboard in trying to ensure what it perceived to be the democratic process that at one point it printed its ballots in circles so that no one's name would be on top. That was based on the old western, radical, wobbly tradition. Perhaps that was a little excessive, and no one is suggesting that we ought to go to those lengths, but surely it is not too much to suggest that there should be some lead time provided in order that those persons who have been nominated and have full-time occupations, or those who have not yet been nominated, may have sufficient time. It is not always a matter of choice as to whether or not one thought ahead about one's nomination. Even if one has, and one's occupation is such that one must continually apply oneself to it, one is not that free to get out into the community to become known or to be able to compete on anything approaching an equitable basis until the actual election campaign is called, and that in itself involves sacrifices.

Therefore, I would submit that for all of those reasons there is no compelling argument for the shortening of elections. There is a feeling among the public that elections should be shorter. That is agreed. However, the period to which they are referring is that period which is now restricted, I believe, to approximately 30 days, which is the limited period in which we can now conduct commercial advertising. That is the part that the public finds offensive. If one wants to limit the period that the public finds offensive, let us cut it down by an extra week. Our purpose here is not to subsidize the advertising industry, after all. In any case, none of us seem to use that time all that constructively in terms of putting solid information or options before the Canadian people. The time is used much more on product identification and repetition than on anything of substance or value.

The other point which was mentioned briefly as well was that while the main and only thrust of the bill is, in fact, to shorten election periods, it might have some value if it dealt with some other reforms, or even opened the door by presenting a few. However, it seems overly limited and does not really provide, within its driving thrust, any option to add items which would involve serious electoral reform. As a British Columbian perhaps, because we have had this process in the province for many years, I think that the process of an absentee ballot would be worthwhile. It is subject to much less abuse than the proxy system. It requires much less bureaucracy and finagling than does the proxy system. It can be utilized well, provided that there is a period of some one to two weeks in a country of our size. Of course, it would have to be a little longer than the one week provided within the jurisdiction of a single province to allow for a delayed count for those absentee ballots. It would provide in this country immeasurable opportunities for a broader classification of people than the very limited numbers of those now eligible to use the proxy, and would be of benefit to those people on vacation or away from their residences for considerable periods of time. It would be a major opening.

However, I am not prepared to take seriously or to agree with the proposition that urban voters, as well as rural voters, should be able to swear in on election day. I have been involved in this business for many years. I have been active in downtown Vancouver and in Vancouver centre, right back to the late forties. I was pretty small then, but not small enough that I could not observe what was going on. From observing downtown Vancouver, Atlantic Canada, southern Ontario and northern Ontario over the years, I came to realize that there are reasons why people can swear in to vote on election day in rural polls where people know each other and are readily identified as being actual residents, and what can happen in a downtown area where no one knows anyone and very seldom knows the person living in the next apartment.

I may be an idealist in some sense, but I do not believe in throwing temptation at people and daring them to take up the challenge. There is very often too much at stake in the real business in which we are involved to put that kind of temptation out in front where it counts. There are many reasons for all the rules and regulations, which exist in the elections act which have been built up over the years. The political process is much more alive, democratic and accountable now than it was 20 or 30 years ago, and certainly more than it was 40

years ago. It is much more open and honest. While I prefer to think the best of people, I would not want to throw out temptations to encourage them to do their worst.

I said at the beginning that I strongly believe that elections and politicians are too important to be left simply to the politicians. The major reason I oppose the shortening of election campaigns from 60 days down to 47 days, or shortening them by any time when it comes to the number of days from the call of the election to the day on which the ballots are actually cast, is the importance of elections to the people.

I am sure that many hon. members of this House—and certainly those who organize and work for them—realize how vitally important it is that we maximize the number of ordinary people—not the fanatics, not the zealots, and not just the paid hacks—who become involved and feel that they have a vested interest and a real stake in democratic society. For that reason, I do not know nor do I care what my other colleagues, either in this House or in my own party, think about this particular issue. I have been involved in it for much too long in an organizational sense and I have been too involved with digging out ordinary people who are affected by what happens in this place and in other chambers but who, in their day to day life, have other priorities also. It is important to get those people to take some part despite whatever reasons there may be for the shortening of campaigns.

If we limit the period of voluntary involvement, it will give rise to yet another surge of the kind of hyped up media campaigns which I think most members, and I know the Canadian public, find extremely distasteful. It turns them off not only the political process, but it turns many of them off the idea of democratic politicians.

I am opposed to the bill, and that is all I have to say, Mr. Speaker.

Mr. Marcel Lambert (Edmonton West): Mr. Speaker, it was interesting to hear the hon. member for Kootenay West (Mr. Kristiansen) speaking and giving us a point of view which was I suppose, from what one would call a professional from within his party. There are many of us whose experience with elections goes back as far as his but who have gained it on the basis of running in elections themselves. I can assure Your Honour that I weighed what he had to say very carefully, because it seems that while this bill proposes to shorten the time of an election period to 47 days, it also has some very important and complicated consequential amendments. One thing that no one has referred to is the elimination of the different nomination dates, and the elimination of the schedule 3 constituencies. Now everyone is nominated on the same day.

● (2140)

What is the purpose of this bill, besides shortening the period of the election by 12 days? With 282 members in this House, I dare say that there are at least 250 divergent opinions on how the Canada Elections Act could best be devised for a particular individual.

I concede immediately that I, who have a tightly knit urban riding, have nothing in common with a rural riding in the Atlantic provinces, or perhaps one of the less populated constituencies in Newfoundland or, even closer to home, one of the large, entirely rural seats in the prairie provinces. The two constituencies just do not mix. One thing that we have in common is what we feel is the short attention quotient of the average voter. Now that the voter relies more and more on television, we know very well that the attention given to any program depends on the action. As soon as the advertising comes on or as soon as a public affairs program comes on, that is the time to go to the washroom, to put on a pot of coffee or do something else.

The same thing applies to political advertising. There is no point in individual candidates trying to develop a budget which will cover any amount of direct discussion on the issues, on television. The act is stupid in that it has not increased the amount allowed for expenses, yet the cost of printing and television time have escalated far more than the cost of living. Those things are therefore left to the national budgets and that is one of the chief difficulties. In the last election all major parties got their tails caught in a grinder over the nature of their programs. I would be the first to admit that ours was disastrous, as was that of the Liberals. Every time one went out, one had to face irate voters or constituents who had seen the latest episode of nonsensical advertising of the party.

The election campaign nowadays is used by the media to train their young reporters. They go out and listen to a party leader make a speech, then give us their deathless version of what was said, depending upon their own personal prejudice and "the public be damned". That is why there is such a distortion.

While the objective of this bill may be all right, we all suffer from frustration when we consider the inadequacies of the proposed changes. I listened to the intervention of the President of the Privy Council (Mr. Pinard) on Monday or Tuesday when he said it was quite wrong to talk about matters that were not included in the bill. With the greatest deference to the hon. gentleman, it is at second reading that one speaks about those things which are not in the bill but which should be there to make it effective. As I understand the rules, one cannot speak about new matters on third reading and there is no more resolution stage, so these things have to be debated at second reading. That is the way to conduct a debate in this House. One must be able to talk about those things which are not included.

All I can say is that, regardless of some of the background noise that comes from individuals who stand behind the curtain and refuse to make a speech on the subject, we will carry on. I am glad to see that hon. members have raised particular points which could have been brought forward along with this bill so that they could be considered by committee. When this bill goes to committee, why can it not receive representation on a variety of subjects? Once the bill has been voted upon by the House, the committee will be limited to the consequences of shortening the time from 59 days to 47 days.

We could engage in speculation about whether a voter is better apprised of an election, where his polling place will be, what the hours of voting will be, if he gets the little card which is now to be the notice of enumeration, mailed by the deputy returning officer of the constituency, instead of getting a copy of the electoral list of the polls with the information of where the poll will be held and stating that the list is certified, and signed by the deputy returning officer. I do not know that the postmen will be any more faithful in delivering those notices to the enumerators than they were in delivering the voters' lists.

In the past, the voter who was reasonably au fait with what was happening during an election and his right to vote was aware that he was entitled to a copy of the list. He did not have to go down the street about three blocks to see it on a pole. Now there are new aluminum light poles to which a voters' list cannot be attached. In any event, the lists would only last about 24 hours because of the neighbourhood kids delight in tearing them down. It is part of the game. How does "John Q. Citizen" verify that he is on the voters' list? He can go to his party headquarters and ask whether he is on the voters' list. But the individual wonders how dumb people will think he is, not knowing whether he is on the voters' list. Yet he should know he is on the voters' list. That card comes late in the game. It is only determined after the twenty-fifth day before the election. That card will not get to the individual voter because, dear know-it-all parliamentary secretary, on the thirty-fifth day prior to an election, the deputy returning officer starts compiling his lists so they shall be ready no later than the thirtieth day. Then copies are made, some for distribution and some for availability. That is the time during which the list is compiled. Based upon those lists, cards have to be written up, addressed and sent to the individual voter at his or her address. Perhaps the parliamentary secretary can devise something quicker than between the thirtieth and the twenty-fifth day. The twenty-fifth day is the day when the cards are sent out. It is also the time when the deputy returning officer will announce the totals of the preliminary lists upon which the candidate's expense account will be based. Those again are details which come later and later in the game in so far as the candidate is concerned. Incidentally, they apply across the line to all constituencies now, urban and rural. Class three is eliminated. All that will be required now, as I see it, is that nominations are to be held 14 days prior to elections for everyone concerned.

● (2150)

In some parts of the country where I think the greatest pressure comes for shortening the election campaign, nomination day is really when the election campaign starts. That is when the active campaigning takes place in many constituencies in the province of Quebec, constituencies which have been won by both major parties. Very little was done before, except for lining up. There was no door-to-door campaigning. Meetings were held. In these last 14 days, meetings were hot and heavy. People came to hear the issues discussed. But try today to get a meeting together to discuss the issues in any election outside of sponsored forums. But farming organizations in western Canada, undoubtedly in the province of Ontario and, perhaps across the country, perform a human service in arranging these forums so that candidates from all parties are before the people who want to hear them. That does not help my friend, the hon. member for the Western Arctic (Mr. Nickerson), however. He has a very difficult time getting around his territory because it is so extensive. Even by chartering aircraft or boats, there is no way that candidates in the western Arctic, the eastern Arctic or in some of the other ridings will see the people in their constituency other than perhaps during a swoop in an aircraft when they can wave and throw out some leaflets. Somebody suggested that he might throw out a few cases of beer too. That is quite wrong, but it has been known to happen. That is another aspect of the campaign.

But we should not pay so much attention to this shortening of time in isolation when there are a lot of changes that could be proposed to help put across a much more intelligent election campaign. For one thing, my colleague the hon. member for Vancouver Quadra (Mr. Clarke) has a private member's bill in which he proposes that the closing times for the polls be uniform as to the exact moment. In other words, if there are five time zones, there are five different times of closing. We would not have that silly consequence of people in Vancouver, living on Victoria Island or in any part of British Columbia, being four or five hours away from poll closing time, knowing the results from Newfoundland and the Atlantic provinces. That is a mockery. This is precisely what we criticize in the U.S. election system, that you can always stampede the last voters by the trends. They like to feel they are part of the bandwagon and if there is a trend toward one party, this will encourage them to do so. That is totally wrong. It is particularly wrong here in Canada. In the last election, for instance, by the time our people were ready to vote two or three hours before poll closing time, and in the city ridings two or three hours before poll closing time is about the time that 70 per cent of the vote is cast, those people knew that what they were doing was not going to help at all. The election was already decided. That is wrong. That amendment, if included in this particular bill, would have been far more meaningful.

There is the question of indexing expenses. Election expenses have now been geared to the 1975 CPI. It has not been changed. It is total nonsense to have that sort of thing.

I find this bill so totally inadequate that I am almost compelled to agree with our colleague from British Columbia that we are not going to have this bill imposed on us piecemeal. This should be part of a meaningful change in the electoral act. There is plenty of time between now and the next election. That is what we should have had in 1979 if the government had thought fit to come forward with this part bill. That would have been fine 18 months ago when elections were imminent. Now it is not so. I would say that it would be far better if we voted against this bill now and told the authors to go back to the drawing boards and come forward with a decent bill.

Some hon. Members: Question.

Adjournment Debate

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE ECONOMY—(A) STATEMENTS MADE BY LEADER OF LIBERAL PARTY IN ONTARIO; (B) LOW INTEREST RATE PAID ON GOVERNMENT ANNUITIES

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, June 22, as recorded in *Hansard* at page 10838, I put some questions to the Minister of Finance (Mr. MacEachen). I used as a basis for my questions statements that had been made over the weekend by the leader of the Liberal party in Ontario to the effect that it was time to impose more taxes on the rich so that the government would have funds to provide more benefits to the poor. Pensioners and others were mentioned in the statement by the Liberal leader in the province of Ontario who had declared inflation to be a Robin Hood in reverse, robbing the poor and benefiting the rich.

Frankly, the purpose of my question was to get to one or two specifics where I felt money should be used for the benefit of those in need. The Minister of Finance said exactly what I thought he would say. He set about telling us that the government has an indexing plan under which all pensioners are thoroughly and completely protected. That is a myth which does not gain any more substance by the telling of it over and over again.

I went from that to one specific group for whom there has been no indexation since 1975. I refer to persons who are holders of Canadian government annuities. For many years the benefits paid under Canadian government annuities were based on interest rates of 3, 3½ or 4 per cent, sometimes a little more. In 1975 that rate as a basis for a calculation was raised to 7 per cent. There it stands. It is still at 7 per cent.

Accordingly, those who are drawing benefits from Canadian government annuities today are getting pensions which are based on a calculation which assumes that their money is earning interest at the rate of 7 per cent. In fact, interest rates today are twice that or more, and I wanted to ask the minister to do something about it. In view of his claim that the government is prepared to protect pensions, why not do again what was done in 1975, namely, raise the rate of interest used in calculating government annuities?

The Minister of Finance, as he so often does in answering questions, wandered all over the lot and never even mentioned the subject. If one looks at the record in *Hansard*, he will find at the end I asked, "What about government annuities?" That was my reason for putting the question for a late show. I have already indicated to the Parliamentary Secretary to the Minister of Finance (Mr. Evans) that that would be the thrust of my question. I did not come here tonight to argue about Stuart Smith. I came here to try to get the answer to the question I was putting to the minister, is it not time to improve payments under Canadian government annuities?

Sometimes when we raise this matter we are told that they are different. Every time something is not done, it is different from the area where something is being done. We are told that this is a contract and that that contract cannot be upset. Canada Pension Plan benefits are a contract. Old age security is a contract, for if you live in this country and pay taxes, you get old age security. Pensions under various superannuation plans are all contracts, so there is no weight to that argument at all. Canada Savings Bonds are certainly contracts. They are bought at a certain rate of interest that is printed right there in the bond. Yet the government has now come to the realization that with inflation the way it is, it has to adjust these interest rates. Why are the holders of Canadian government annuities left out in the cold? I know that in 1975 we were told, "do not look for this every year, it is not permanent, it is just a one-shot effort." But the facts of the matter are that inflation has got much worse, and this is one group the government seems to have forgotten. I would like to hear from the parliamentary secretary tonight, now that he knows this is the thrust of my question, whether the government is giving consideration to doing now in 1981, or certainly not later than 1982, what was done in 1975, namely to increase the benefits under the Canadian Government Annuities Act. I confess that I have a personal interest in that piece of legislation. As I have said a good many times, it was passed the day I was born. I do not like to see it stifled.

● (2205)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member for Winnipeg Centre (Mr. Knowles) is essentially seeking, as we have all heard, an increase in the rate of interest paid on Government of Canada annuities. As the hon. member indicated, they are, indeed, long-term assets if the legislation was introduced on the day he was born.

Mr. Knowles: Seventy-three years ago.

Mr. Evans: Members will recall that the act provided, as the hon. member mentioned, for a change in those rates effective April 1, 1975. At that time annuities that were paying between 3 per cent and 5¼ per cent were raised to the level of 7 per cent.

Undoubtedly the hon. member is aware of Section 5(2) of the Government Annuities Improvement Act which reads:

> The governor in council may, by regulation, amend the schedule in respect of any annuities or category of annuities.

Pursuant to this provision, the Minister of Employment and Immigration (Mr. Axworthy) has been closely monitoring the appropriateness of the rate of interest payable on government annuities. In assessing whether this rate of interest should be increased, it is important to bear in mind a number of considerations which the hon. member for Winnipeg North Centre (Mr. Knowles) has brought to our attention. Foremost

perhaps, is the contractual nature of annuities and the potential effects of a substantial change to the terms of these contracts on other financial instruments, both in the public and the private sector. Related to this is the fundamental issue of the equity of an increase in this rate vis-à-vis all those other Canadians who are also adversely affected by inflation and high interest rates, such as investors in other Government of Canada long-term instruments.

The government's present assessment of the situation, which includes a comparison with returns earned on similar instruments in the private sector as well as an appreciation of the over-all implications of a further positive adjustment, is that no such adjustment should be made at this time. In this connection, it is important to bear in mind that comparisons with rates of interest payable on short-term financial instruments, such as Canada Savings Bonds and guaranteed investment certificates, are misleading in that they overlook the fundamentally different nature of these instruments we are referring to here. This is particularly inappropriate in a situation characterized by high and volatile, short-term interest rates such as we now have.

The government continues to be of the view that the only viable solution to this difficult problem lies in the pursuit of monetary and fiscal policies which will serve to reduce inflation and thereby reduce interest rates for all Canadians. To the extent that narrowly targeted measures of relief lead to pressures for more broader-based measures, these are difficult to reconcile with the ultimate objective of the government.

Mr. Knowles: The government is wrong again.

ENERGY—(A) REQUEST FOR REDUCTION IN FEDERAL SHARE OF REVENUES; (B) ENERGY TAX REBATE PROGRAM

Mr. Otto Jelinek (Halton): Mr. Speaker, since the beginning of last year the price of gasoline at the gas pump in Ontario has increased by 60 cents per gallon. There have been 12 increases in the price of oil products since March, 1980, and all but three of these were increases in federal taxes; not an increase to producers, to refiners or dealers, but an increase to the federal Liberal government. The federal share of the increase in the price of gasoline at the pump is 36 cents per gallon, a 36-cent per gallon increase in federal taxes alone. That is twice as high as the 18-cent per gallon increase proposed by my party, the Progressive Conservative party, just over one year ago.

Our proposal of 18 cents would not only have gone toward the subsidization of offshore imports, it would have provided an energy tax rebate to low and middle-income families, an energy tax rebate for farmers, an energy tax rebate for fishermen and an energy tax rebate for urban transit. In other words, our national energy policy would have led Canada toward energy self-sufficiency during the next decade while at the same time protecting those who could afford increases the least. We had a pricing agreement with the producing provinces in principle, and the only agreement the Liberals have today is an agreement to purchase more oil from offshore. We have more dependence on offshore imports, and we all know the price differential. The cost of a barrel of oil from offshore averages $43. In Canada, the cost is $17.75 per barrel. But the Liberals prefer to pay higher prices for offshore oil and to ask all Canadians to subsidize the difference. The subsidization has reached staggering $5.158 billion this year alone. We pay for it, and that subsidization is growing.

• (2210)

What did the Liberals say before those increases took place? In the 1980 election campaign, for example, the Minister of Finance (Mr. MacEachen) went from one side of the country to the other saying, "Vote Liberal, and energy prices will stay down". That is what the minister said last February. However, we do not have to go that far back. On May 27, 1980, the Minister of Energy, Mines and Resources (Mr. Lalonde) said: "Every rise of one dollar a barrel in oil and its equivalent in gas increases the rate of inflation by almost half a percentage point". I agree with that. We all agree with that, but the Minister of Energy, Mines and Resources and his government have increased the price of gasoline at the gas pump and the price of energy generally in Canada. It has not been to the producers or refiners, at least not to the tune of 36 cents per gallon. That is the information provided to us by the minister's department. It is no wonder we now have a record high inflation rate which leads to record high interest rates which lead to a record high cost of living and which leads back to record high inflation.

Then, believe it or not, the travelling Prime Minister (Mr. Trudeau)—who is too busy to answer questions in the House because he is meeting with his new socialist friend, the President of France—said in this House on June 9, 1981, when speaking about energy revenues: "We would like the over-all result to be the federal government's sharing 23 per cent or 25 per cent of the take". That is my whole point. The Prime Minister would be satisfied if the federal government took in 23 per cent or 25 per cent of the take of energy revenues.

The Department of Energy, Mines and Resources has provided us with the following information. In Ontario—and we must look at this one province at a time because prices differ in various provinces due to provincial taxes and other matters—the price of gasoline at the pump is $1.66. The federal take through such charges as sales taxes, excise taxes and the Canadian ownership charge so that Petro-Canada could nationalize Petrofina, is 56 cents, or 33.7 per cent. If the Prime Minister would stay in this country long enough I would like to ask him, if he would be satisfied with a 23 per cent or 25 per cent take of energy prices, why the government does not now lower energy taxes across the board to at least 25 per cent. If the government is not willing to do that, it should at least be compassionate enough to bring in an energy tax rebate to be taken from the excessive revenues it gets from energy resources. The government should be compassionate enough to bring in energy tax rebates along the lines of those the Progressive Conservative party proposed in the Crosbie budget.

Mr. Simmons: God help us.

Mr. Jelinek: Yes, energy tax rebates—I hear guffaws across the way—for low and middle-income families. The Liberals said: "Let us not increase the price by 18 cents." They have more than doubled the taxes. There is no energy tax rebate for low and middle-income families. Why no energy tax rebate for fishermen, farmers and urban transit? Those are the questions we and Canadians are asking, and those are the questions I want answered today.

● (2215)

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member opposite is in such a state of confusion and so befuddled by his pseudo statistics that he clearly has no real understanding of the situation with regard to oil pricing in Canada today. The fact is that at the Toronto pump the price of a litre of gasoline is less today than it would have been under the Conservative formula.

Let us examine the situation in its true light. The fact is the recent increases are composed of a number of factors. For example, wellhead price increases under the Liberals between January 1, 1980 and January 1, 1981, amounted to $4. Under the Conservative budget, it would have amounted to $6.25.

Mr. Jelinek: Hogwash.

Mr. MacLaren: The Syncrude levy, an important part of the total cost at the pump, was and would have been pursued by the Conservative government had it been able to hold on to office. That increase would have been automatic whatever government was in office. Also, the petroleum compensation charge to offset the higher cost of imported oil would, in the Conservative case, have had to be found from general revenues. It is imposed at the pump itself in our case. I do not think there can be any doubt which is the preferable way of imposing that levy. The compensation charge, that money does not go into the general revenues of the government; it is passed on to the refiners. For the hon. member to speak as if somehow that charge was to the benefit of government revenue is to simply misunderstand the situation in Canada today.

As for the special compensation charge to offset the cost of additional imported oil in light of the production cutbacks by government of Alberta, we have indicated that if Alberta restores production, that levy would be immediately removed.

Finally, the Canadian ownership charge brings real benefit to all Canadians through acquisition of assets for the national oil company, Petro-Canada; in this particular case the acquisition of Petrofina. So not only are prices lower in Toronto today than they would have been under the Conservative government, but the other benefits of the Liberal policy should now be evident to the hon. member opposite who is in such a state of confusion about the true state of affairs.

Mr. Jelinek: How can you say that with a straight face.

ENVIRONMENTAL AFFAIRS—RESULT OF MINISTER'S DISCUSSIONS ON ACID RAIN WITH UNITED STATES SECRETARY OF THE INTERIOR

Mr. Maurice Foster (Algoma): Mr. Speaker, on April 8 I asked the Minister of the Environment (Mr. Roberts) if he could assure the House that as a result of his meeting with the Secretary of the Interior, James Watt, the previous week, the United States would not reduce its powers under its clean air legislation to control acid rain. The minister said at that time that he confirmed the word the President of the United States had given Canada that the United States expects to begin negotiations leading to air quality agreement early this summer.

Those were encouraging words, Mr. Speaker, but last night I was reading a copy of the Ottawa *Citizen* in which the Minister of the Environment told the Commons on Tuesday that he is extremely concerned about the draft proposals aimed at relaxing air pollution standards in the United States. The article went on to say that the draft legislation suggests the elimination of the U.S. federal power over acid rain pollution. Instead, individual states would take control of this area. There can be no doubt that acid rain is one of the most serious environmental problems facing our country today. Indeed, the costs of this pollution in our northern lakes in the sport fishery, for example, have been estimated at a billion dollars a year across our country if no action is taken. Likewise, the cost of acid precipitation, for example the effects on crops and forests, is estimated to be some several billion dollars annually throughout North Amercia.

● (2220)

It was the Secretary of State for External Affairs (Mr. MacGuigan) speaking at New York State University in Buffalo on May 2, 1981, who pointed to the solution to the problem. I believe it must be a joint solution, with action taken by both Canada and the United States. In that address the minister said:

> I believe, also, that legislators in the United States are unlikely to fly in the face of our historical methods of resolving problems common to our two countries. Canada and the United States have developed a long tradition over the years of solving their environmental problems effectively, fairly and with careful attention to international law and responsibility. The Great Lakes Water Quality Agreement is a particularly fine example of how our countries have co-operated to deal effectively with a large-scale pollution problem.

I think it is that spirit of both countries acting together which I believe can be the most effective approach. So it was with some concern that I read this report by the Minister of the Environment wherein he said that he is concerned that the control by the United States federal government may be lost. I contrast this with the action taken by the House of Commons last year when it unanimously provided the authority, through amendments to the Clean Air Act, to meet our international obligations, especially with the United States.

I hope that the parliamentary secretary responding tonight can give us some positive information. In my own constituency, the Department of the Environment and other agencies of the federal government are carrying out a very extensive research

program at the Turkey Lake research facility, located some 50 kilometres north of Sault Ste. Marie, where last year some 15 person-years and some $800,000 from the Great Lakes Forestry Research Laboratory has been dedicated to learning more about this critical problem facing our nation.

I am hopeful that this action within our own country, the research imposing tighter limits and controls on our industry, and ensuring that new industry has adequate control combined with an effective new international agreement with the United States, will lead to a better position relating to this problem. I hope that the minister will be able to assure us that the actions of the United States will not have an adverse effect on those areas of Canada which suffer from these transborder pollutants.

● (2225)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, first of all let me thank my colleague and friend, the hon. member for Algoma (Mr. Foster), for raising this issue in the adjournment debate tonight. It is an issue which is coming in for a lot of discussion, and so it should. We welcome the opportunity to discuss it here again this evening.

I believe his concern is well founded. I hope I am wrong. For that reason, I hope he is wrong. However, we get some disconcerting signs from the United States. We saw the leaked cabinet document, in the last week or so on the subject of proposed revisions of the Clean Air Act in the U.S. We saw some of the appointments to positions of environmental authority in the United States. Frankly, they constitute fairly disconcerting signals.

Against that, we have a number of assurances which have been given to us by the U.S. administration, both by the former administration of Mr. Carter and by the present administration of Mr. Reagan, and assurances from the office of President, right on down to other positions of authority in this particular area.

First of all, let me just reflect for a moment on the memorandum of intent which was signed last August between the Minister of the Environment (Mr. Roberts) for Canada and the then secretary of state of the U.S., Mr. Muskie. First, that memorandum committed both countries to begin formal negotiations by June of this year, which is this very month. Second, it also provided for five joint working groups to do some work preparatory to the beginning of negotiations. Third, it committed both countries to taking certain interim control measures under existing legal authorities to reduce transboundary air pollution.

As I say, that memorandum was signed last August under the former administration of Mr. Carter. As Your Honour will know, Mr. Reagan was here in Ottawa some months ago in March. At that time, in meetings with the Prime Minister (Mr. Trudeau) and with the Minister of the Environment, the U.S. President gave full commitment that the undertaking and the memorandum of intent of last August would be honoured, that it was the U.S. administration's intent to pursue the work of the five working groups that I mentioned earlier, and it was also its intent to begin negotiations with Canada in the month of June of this year.

Subsequent to that particular meeting, the Minister of the Environment went to Washington and met with the new secretary of the interior, Mr. Watt. At that time, we received similar assurances to that which we had received from the U.S. President earlier.

Two days ago, the negotiations actually began in Washington. They were somewhat clouded by the uncertainties over the Clean Air Act review in the United States. On that particular subject, the Canadian delegation recorded very strong concern that domestic regulation be adequate to deal effectively with transboundary air pollution.

Finally, let me say that as we see it, the battle is far from over. We in Canada cannot let up for a minute. There are strong lobbies in Washington which want to convince the U.S. administration that there is no problem. There is a lack of awareness among the American public. Our job is twofold. First, we want to raise that awareness. We are doing that through pamphlets which we are distributing in the U.S., through speech-making in the U.S., and we are also continuing to impress upon the U.S. administration the need to honour its commitment made last August, and subsequently.

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 10.28 the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 26, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

INTEGRATION OF RECYCLING INDUSTRIES—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise on a matter of pressing and considerable importance. In view of major energy, environmental and conservation gains through recycling of many products, including iron, copper, aluminium and paper, and in view of the recent comments by the Minister of Industry, Trade and Commerce (Mr. Gray) regarding his appreciation of the opportunities, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That the government integrate the already considerable recycling industries into a development and industrial strategy for Canada, and provide direct and indirect encouragement to the Canadian Association of Recycling Industries.

I would also like to urge, Madam Speaker, that the government start by asking the Association to recycle the scrap art that adorns the Ottawa airport parkway.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL REVENUE

TREATMENT OF NORTHERN TRAPPERS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the Minister of National Revenue (Mr. Rompkey) in his crackdown against northern trappers has, through his officials in Edmonton, told trappers that they face a tax penalty of 25 per cent going back to 1977, and has refused to allow deductions for the upkeep of dog teams which have to be fed throughout the summer, as well as the trapping season, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That the Minister of National Revenue cease his retroactive persecution of trappers, particularly those who are unable to read and write, and who live in remote villages hundreds of miles from the nearest accountant, and that he seek a remission order to give trappers similar tax benefits to those he has already given to public servants and employees of large corporations.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

CONDITIONS NECESSARY FOR LIBERAL-NDP COALITION—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, in light of the Prime Minister's statement in France that the inclusion of four communists in the French government was no different than his attempt to include members of the NDP in his government, and whereas this is an insult to 32 members of this House who have been supportive, to a greater or lesser degree, of government policies, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House direct the Prime Minister to make a statement on motions concerning the terms and conditions upon which the coalition between the Liberal party and the federal NDP could take place, whether security sensitive portfolios in cabinet will be offered to NDP adherents, and whether he makes any distinction between communism and democratic socialism.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

NEED FOR NEW SAFETY INSTRUCTIONS—MOTION UNDER S.O. 43

Mr. Douglas Fisher (Mississauga North): Madam Speaker, whereas the CN train that crashed in Sundridge, Ontario, was the third such derailment in 18 months involving trains containing dangerous, explosive goods, and whereas the government during that same time has responded with all the necessary studies, with new legislation and with new regulations, but all of this is stalled while the CTC conducts yet more public hearings, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That this House urges the Canadian Transport Commission to hurry up, to recognize that we are going to run out of miracles where nobody is killed, and to

get started on the last stage, the most important attack on this deadly threat by issuing new safety instructions to the railroads.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

FITNESS AND AMATEUR SPORT

BAN ON PARTICIPATION OF FEMALE PLAYER IN SOCCER TOURNAMENT—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity which I know will receive the unanimous consent of the House.

In view of the fact that a member of a Danish soccer team has been barred from playing in one of the world's largest youth soccer tournaments, the Canadian Robbie International, simply because she is a female, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House requests the Minister of Labour, who is also the minister responsible for sports, and the Minister of Employment and Immigration, who is also responsible for the status of women, to intervene immediately with the organizers of this tournament and advise them that public funds used to support this organization will be withdrawn until they bring an end to this practice of sexual discrimination.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

GOVERNMENT BORROWING COSTS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in view of the fact that commercial borrowers can borrow on commercial paper in the United States at 15 per cent, or borrow on bankers' acceptances for 90 days at 16.5 per cent, that international corporations can borrow on the Euro-dollar at approximately 17.5 per cent, that the American government can borrow its 90-day treasury bill money at 14.3 per cent, and in view of the fact that this government today paid 18.83 per cent to borrow its 90-day money, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the government immediately constitute a special committee of this House to inquire as to why the Government of Canada pays significantly more to borrow money than commercial corporations pay in the United States, than multinational corporations pay on the world market and the United States government pays on its treasury bills, and that this House does censor this government for deliberately maintaining a high interest rate policy in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AVIATION HALL OF FAME

SUGGESTED FEDERAL FUNDING—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, the City of Edmonton has established the Canadian Aviation Hall of Fame to preserve and highlight the heroic flying deeds of some of the early bush pilots of the north. These pilots are national aviation heroes. Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the federal government generously support, by way of an annual monetary grant, this very worth-while endeavour that is in the national interest and, furthermore, that this House strongly recommend to the board of directors of the Canadian Aviation Hall of Fame that it give due recognition to the aviation exploits of Mrs. Don Bartsch, an outstanding northern Canadian bush pilot.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

CASTLEGAR, B.C.—PROVISION OF SAFETY FACILITIES—MOTION UNDER S.O. 43

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise under the provisions of Standing Order 43 on an urgent matter of potential life and death. Earlier this spring the Ministry of Transport supplied Castlegar airport with a long awaited large foam truck to replace the smaller emergency vehicle previously available, but the ministry failed to act on the linked request for the larger fire hall and garage required by the change. Thus, the new foam truck will be left sitting useless outside during the coming winter with its tank drained to avoid freezing. I therefore move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House urge the Minister of Transport and the government to give immediate priority to this emergency request for. basic air safety and fire protection at Castlegar, and quite literally stop two-bitting West Kootenay air travellers to death.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE ECONOMY

GOVERNMENT POLICY ON INTEREST RATES—MOTION UNDER S.O. 43

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the Minister of Agriculture's recognition of the justified complaints of the hog producers of this land when he announced this week a complete change in the hog stabilization program for this year, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

● (1115)

That this House congratulate the minister for changing his mind, providing an example which other ministers can follow on misguided policy, especially in the hope that the Minister of Agriculture can have some influence with the Minister of Finance to change the government's usurious and unconscionable interest rate policy which is punishing all primary producers and thereby adversely affecting all Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Finance. The Minister of Finance has responded to questions in a way which implies that he understands the economic crisis which primary Canadian producers are facing now, small businessmen and farmers. He says he recognizes the crisis. He is also aware of the offer this side of the House has made for a one day's extended debate, or whatever is required, to allow expansion of the small business development bond to include operating capital and venture financing, and also to include unincorporated businesses.

I wonder if the Minister of Finance can tell the House and the Canadian people whether he intends to make the announcement he has discussed, or whether we are forced to go through the summer without knowing before the end of this session of Parliament whether or not this will be an opportunity to which small businessmen and farmers can look forward.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to the small business development bond which, in its present operation, is of very substantial benefit to small business. As I have indicated previously in the House, the Canadian banks have dedicated about $750 million for the use of the small business development bond already, and I am told by the Minister of State for Small Businesses and Tourism that when all the institutions together are added up, the total amount dedicated to the small business bond is about $2 billion. That is a very substantial source of funding at about half the market rates for small businesses intending to engage in expansion and modernization.

There is, in addition, a provision in the bond by which funds can be made available to small businesses in financial difficulty. As I have indicated in the House previously, we have had discussions with the chartered banks to make it possible that wider use be made of this particular aspect of the bond in order to help small businesses in refinancing difficulties. In the present circumstances the small business development bond is an extremely useful and effective instrument, and in that light it is not my intention, for example, to recommend its extension to unincorporated businesses because of almost impossible administrative problems which would be involved.

GOVERNMENT PLANS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I am familiar with some of the figures the minister has mentioned in terms of the financing of the bond and in terms of the amounts of money which have been dedicated by the institutions. The point I would really like to make in my supplementary question is the impact there is on primary producers because of the high interest rate policy and the fact that the small business development bond as it stands now does not address that, and that the primary producers cannot continue to produce with interest rates of 20 per cent to 23 per cent. They cannot continue to stay in business.

The minister is well aware of the number of bankruptcies. He is well aware of the impact on the total economy. There must be an extension of that program. There must be a provision for opening that up to relieve the financial pressure on agricultural producers and small businessmen of the country. Because of the impact there is now and the impact there will be on the total economy, people who were initially hurt are now becoming tremendously aggressive and angry.

The minister must look at some other measure. If he does not wish to use that measure, is there any other specific measure the minister has in mind which he will introduce before this session of Parliament ends so that these people have something to which they may look forward?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has asked a very general question, and I have answered already about my view of the small business development bond. I am also investigating the use which could be made by members of the agricultural community of the small business bond in particular instances. I had discussions on this subject last week with the treasurer of Ontario, Mr. Miller, to see in what way incorporated farms might be able to take advantage of the

small business development bond. I acknowledge that there is a problem facing cattle and hog producers particularly, not only because of interest rates but because of market conditions and other costs which have added to their operating costs, such as the cost of fertilizers. It is not my intention to go beyond that at the present time.

● (1120)

NEEDS OF PRIMARY PRODUCERS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my final supplementary question is directed to the Minister of Finance. I asked a specific question which he did not answer, as to whether or not he was expecting to introduce any other specific measure before the end of this session of Parliament so that these people would have something to which they could look forward.

If the minister is saying that he will introduce a measure and expand it for the agricultural community, I accept it very gratefully. But my real question is that in the time period we have now, how can the government maintain its credibility in discussions with the OECD at the upcoming summit meeting if we do not address ourselves, as members of Parliament, to the economic needs of the primary producers of the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it seems to me the best way for Canada and the government to maintain their credibility is to continue a strong anti-inflationary policy. As I have said very frequently in the House of Commons, any anti-inflationary policy will totally lose its credibility if at the same time the government attempts to insulate the whole community from the effects of the anti-inflationary policy. This seems to be the view of the official opposition. I have said that we will attempt in particular hardship cases to ensure, where it is humanly possible, to help either home owners, small businesses or farmers to live through what is undoubtedly a very difficult situation. This is the policy we are attempting to implement. I believe in the long run it will be successful.

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FINANCE

GOVERNMENT BORROWING COSTS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my supplementary questions are directed to the Minister of Finance. I point out to him that he must develop some credibility before he can start maintaining his credibility. He does not have any credibility on this side of the House, he does not have any credibility to the small business people and home owners who are paying 18 per cent and 19 per cent interest rates.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Blenkarn: The minister is not prepared to look after small business people and farmers. What will he do with respect to the cost of carrying Canada's debt?

He made certain proposals and suggestions at the time of his budget. At that time I pointed out to him that the treasury bill rate was about 12 per cent. It has been 16 per cent, 18 per cent, over 18 per cent, and nearly 19 per cent for the past 6.5 months. What is the increased cost of carrying the government debt to be borne by all people of Canada because of the high interest rate policy of the government at this time? What are the minister's estimates?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is obvious the increased interest rates which have occurred since the budget must be included in any estimate for the fiscal year 1981-1982 and that the outlays required to finance the debt will be substantially increased. I regret it very much. I argue very strongly that we ought to take every possible step to stay on track and to reduce the deficit in order to avoid the very substantial outlays which are required in order to finance the debt.

● (1125)

REQUEST FOR REORGANIZATION OF GOVERNMENT'S FINANCIAL AFFAIRS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, we have not seen much in the way of suggestions from the other side on how to decrease the deficit. I point out to the minister that the Americans borrow their treasury bill money at 4.5 per cent less than he has to pay.

I ask the minister, if this government is not prepared to do anything for farmers, small businessmen and the home owner, why does it not at least do something for itself? Why does it not reorganize its financial affairs so at least it does not have to borrow at 18.8 per cent where the cost of whatever you borrow doubles or triples in three and a half years? Why not do something for itself if it cannot do something for the people of Canada?

An hon. Member: They don't care.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course I dispute totally the suggestion of the hon. member that we have not been doing anything for small business, home owners or the farmer. The facts are totally opposite to what the hon. member states.

An hon. Member: You are doing it to them, Allan, not for them.

Mr. MacEachen: He talks about the short-term interest rates in Canada and compares them with the United States. Yesterday there was a treasury bill auction in Ottawa with a very slight increase. Why? When the hon. member poses his questions in the House he might pose one or two to himself and ask why there was that slight increase yesterday? The

answer is that there is a very strong demand for money in this country, propelled by a very strong economy—

Some hon. Members: Oh, oh!

Mr. MacEachen: —and producing a lot of inflationary expectations. That is the answer.

Some hon. Members: Hear, hear!

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POST OFFICE

LABOUR RELATIONS—RECOMMENDATIONS OF CONCILIATION BOARD CHAIRMAN—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board concerning the important negotiations going on with the postal service. Considering that the conciliation board chairman made important recommendations on health and safety, annual, statutory and maternity leave, and that the union has accepted these proposals with only a slight modification to one, could the minister tell the House why the government has not accepted these recommendations, and in fact why it is going back to its January position? Is this not a perfect illustration that the government is bargaining in bad faith and in fact is trying to provoke a strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, this is just utter rubbish.

Some hon. Members: Oh, oh!

Mr. Johnston: And completely and fiscally irresponsible. The government is making every effort to reach a satisfactory conclusion with the postal workers. We are in negotiations, and they are not taking place on the floor of the House of Commons; they are taking place at the negotiating table where they should be.

Some hon. Members: Hear, hear!

COST OF PROPOSED MATERNITY LEAVE BENEFITS

Mr. Edward Broadbent (Oshawa): The minister should know a lot about rubbish; he specializes in it. It has been the union that said the government is not taking the negotiations seriously and that it is back to its January position.

On maternity leave specifically, since only 239 women among all the inside postal workers took advantage of maternity benefits under unemployment insurance last year, would the minister confirm that the cost of implementing that one item is minimal and, if so, why does the government not live up to its pledge last year in Copenhagen to all Canadian women by agreeing to this very reasonable proposal that its own impartially appointed conciliation board chairman recommended?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am gratified at least by the interest the hon. member is taking in women's rights. I would like to point out that we, over a period of several years, have been moving forward on a variety of fronts, and I have had very few comments from the hon. member for Oshawa with respect to part-time employment policy—

Mr. Broadbent: Rubbish.

Mr. Johnston: —or with respect to a very generous maternity benefit package last year. I did not hear the hon. member for Oshawa stand up and tell us what a wonderful thing it was at that time, with respect to flexible time.

● (1130)

Incidentally, I would hope to make an announcement later in the day with respect to day care centres. With respect to our affirmative action programs, and with respect to equal opportunities for women's programs, I have only heard criticism from the opposition. These are other things that we have been doing. We are fully committed to the principle of maternity benefits, as we have demonstrated in the past.

Therefore I say to Your Honour that we are negotiating all items. I think we have been moving forward on all fronts for a period of years with respect to rights for women in the work force. It is about time the hon. member of Oshawa stood up and congratulated the government for some of the initiatives which it has already taken.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the minister knows that there is not a women's group in the country which would agree with what he has said on affirmative action programs or maternity leave benefits. This government has been a complete cop-out, and the minister knows it.

Some hon. Members: Oh, oh!

Mr. Broadbent: Even the province of Quebec, the minister's home province, has a maternity leave benefit which is twice as good as what the government is even considering, for all its civil employees in the province of Quebec.

GOVERNMENT POLICY TOWARD PUBLIC SERVANTS

Mr. Edward Broadbent (Oshawa): Since the secret document which the minister dismissed, a secret document which came out of the cabinet in January, which I released a few weeks ago, indicated that the government was going to single out, amongst others, postal workers and other civil servants as a kind of whipping boy for its anti-inflation program—

Some hon. Members: Oh, oh!

Mr. Broadbent: Will the minister now admit that the position the government is taking in bargaining with the inside

postal workers is a perfect illustration of its attempt to make a scapegoat of public servants—

Some hon. Members: Oh, oh!

Mr. Broadbent: —as a substitute for a serious anti-inflation program?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, that is even more rubbish.

Some hon. Members: Hear, hear!

Mr. Johnston: Earlier this year when the hon. member for Oshawa produced this secret document, it was then established that it was not a cabinet document. At that time I told the hon. member for Oshawa exactly what our posture was, and it has nothing to do with fighting inflation on the backs of public servants.

* * *

CORPORATE AFFAIRS

REQUEST THAT FORMER CHIEF OF COMBINES BRANCH APPEAR BEFORE PARLIAMENTARY INQUIRY

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. On Tuesday the minister flatly denied that he had any knowledge of an RCMP investigation into the Combines Investigation Branch of his portfolio. Yesterday, in reponse to my questions in the House, he again refused to acknowledge it, despite the confirmation of the RCMP, and of his colleague, the attorney general. Finally, he broke under questioning from the official Leader of the Opposition.

Some hon. Members: Oh, oh!

Mr. Corbett: I suggest that hon. members opposite take the time to read some of the transcripts of what takes place in this House. Perhaps he will now respond to my question as to whether he is prepared to call the former chief of the combines goup, Mr. Bertrand, the chief investigator, before a special parliamentary inquiry to testify not only about this very serious matter, but also about the uranium cartel and the oil and gas price rip-offs, regarding all of which Mr. Bertrand must have very in-depth knowledge. If the minister is not prepared to call Mr. Bertrand before a special parliamentary inquiry, will he inform this House why not? Just what is he afraid of?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, my answer is very simple. Mr. Bertrand did his job, completed it and published his report, and this file on the uranium cartel is now on the desk of the Minister of Justice. I do not see any point in asking Mr. Bertrand to come back and do all over again a job he has already completed. As to the first question of the hon. member, who was smiling when he asked his question, I understand that he is somewhat embarrassed himself by the evolution of that case and of his questions, and that he fully appreciates the fact that it is best to let the RCMP perform its duties.

[*English*]

ACTION TO STOP LEAKS FROM DEPARTMENT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, there is no embarrassment on my part. I can assure the minister that if there is any embarrassment it should be on the part of that very callous government which apparently knows no shame regarding any matters under consideration in this House. Let me tell the minister that he has a responsibility to this House—

Some hon. Members: Question.

Mr. Corbett: —and he also has a responsibility to the people of this nation.

Some hon. Members: Order.

Mr. Corbett: The combines investigation group is in his department. As the responsible minister for that department, has he satisfied himself of the source of the leak, and is he sure that there will be no further outbreaks of that nature, and no further leaks from within that department?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the hon. member now knows that the RCMP is looking into this matter. I think that should satisfy him. Obviously, thousands of people work for the government and there is no way a minister can be expected to vouch for the conduct and the behaviour of all his employees who work not only in the federal capital but throughout the country as well. Asking the question amounts to giving the answer. No individual can possibly be absolutely sure that all the people who work under him are doing their work properly. What is the issue and what is important is that, if someone is guilty of an offence, steps must be taken immediately to correct the situation. That is being done and the hon. member ought to be satisfied with that.

* * *

ENERGY

ENERGY SECURITY—NEWFOUNDLAND AND QUEBEC SITUATION

Mrs. Eva Côté (Rimouski-Témiscouata): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and deals with the tabling of a draft bill on energy security as well as the statements made by the Quebec premier during a press conference yesterday. Could the hon. minister

tell the House whether the proposed amendments to the act on energy security would affect in any way the conditions that now exist between Quebec and Newfoundland and interfere with the contract signed by these two provinces?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as I was listening to Premier Lévesque's press conference, I was saying to myself that insults are the ultimate weapon of those who do not have valid arguments. In fact I want to make it absolutely clear that the draft bill which was tabled will bear no impact on the contract signed by Hydro-Quebec and the Churchill Falls Corporation. This is a legal and valid contract which can be amended by either party. The draft bill that was tabled will not have any effect on that agreement. The bill will merely make applicable to interprovincial or international power lines the provisions which for years have applied to oil and gas pipelines.

* * *

[*English*]

FITNESS AND AMATEUR SPORT

QUERY RESPECTING POSSIBLE INTRODUCTION OF GAMBLING PROGRAMS

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the minister of fitness and amateur sport. When the original Olympic lottery was introduced in order to defray the costs of the Montreal Olympics, the Liberal government at that time gave Canadians and the House its assurances that no further lotteries or gambling operations would be initiated. That promise, as the minister knows, has already been broken. It has now come to my attention that the minister is well on his way to extending federal gambling programs to what is known as all-sports betting, in other words, reducing the government to the status of bookies for betting on hockey games, football games and so on. Without once again copping out by giving a stock answer blaming the previous government, can the minister confirm or deny whether his government is contemplating such action?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I am very pleased that the hon. member has asked me this question because, in doing so, and in indicating that he has this information that we are well along our way toward planning a system whereby one can place a bet on any game or any sort of sport, he shows that his information is as accurate as it usually is in those benches. I would inform the hon. member that the government has no such plans.

• (1140)

As the hon. member was so badly misled by his usual poor informants or sources, le me say to him that when he talks about the question of gambling, life is a gamble in many ways. Certainly politics is. The gamble which the former government took with its budget did not work out. At the present time the provinces of Canada are raising approximately $350 million from lotteries in the country, and the federal government is not operating one.

I hope the hon. member shares my belief that some of the money realized from lotteries should be used for those responsibilities in culture and sport that are at the federal level, as well as having a very large amount of it go for provincial aspirations.

Mr. Jelinek: The minister does not have to tell me about the needs of amateur sport.

Mr. Rossi: You don't know anything. You should listen to him.

CONSIDERATION BY OFFICIALS

Mr. Otto Jelinek (Halton): Is the minister telling us that neither his department nor any other department of government has been considering sports betting? If not, can he explain why officials from at least four federal departments have confirmed that this proposal is under consideration? At the same time can he assure the House that all sports betting or any other new gambling operation will not be implemented, now or in the foreseeable future, by that government?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member has asked me to explain why officials of four departments told him that we are going into all sports betting. I do not believe they did that. If well-meaning public servants said anything in that regard, I think the hon. member has misinterpreted or misunderstood what they said. When he talks about us going into all sports betting, he is skating on very thin ice indeed. I assure him that it is important that we have funds for amateur sport, as he himself has indicated. I say to him that we are looking at other possible sources. We have said again and again that we would love to get back into the lottery business, which was given away unreasonably by our predecessors. We do not contemplate any such scheme as the hon. member has mentioned.

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PIPELINES

ALASKA GAS PIPELINE—AMENDMENT OF LEGISLATION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. The minister is aware that we meet in court on Monday in Vancouver over the prebuild of the Alaska pipeline.

Mr. Hnatyshyn: Which one is the accused?

Mr. Waddell: In view of the fact that Mitchell Sharp, the pipeline commissioner—no, he won't be there but our lawyers will be there—the head of the pipeline company in the United States and the American bankers have said that the line cannot now be completed before 1985, and the government's order in council said, as hon. members will recall, that it would

be completed by 1985, does the government have any plans to bring in legislation to amend the Northern Pipeline Act properly?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I wish my hon. friend good luck in his court case. Usually court cases are fought before a tribunal and not in this House. I suggest that if my hon. friend wants arguments for his case, he will have to develop them himself. I am not going to fight his case for him.

Mr. Waddell: I am not asking about the rightness or wrongness of parliamentary procedure. I am asking the minister to deal with the issue of the whole pipeline.

FINANCING OF PROJECT

Mr. Ian Waddell (Vancouver-Kingsway): The fact is that the pipeline cannot be financed right now. As the minister knows, we on this side of the House want the whole line to be built. When the minister was in opposition, the minister expressed the view that if we built this span alone, we would get more and more pressure to export Canadian gas rather than building the complete line. He said that when in opposition. Let's deal with the reality. First, is the minister prepared to encourage the Americans to finance the whole pipeline by encouraging the settlement of native land claims in Canada? Second, when the Prime Minister meets with President Reagan on July 10, will he be prepared to discuss the pipeline completion and the guaranteeing of adequate financing for the whole line?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member suggests that the line cannot be financed. That has not been demonstrated at this time. Discussions are taking place between the utilities, the producers, and in financial circles in the United States. Steps are being taken to amend the presidential order to facilitate the financing of this project. This issue was discussed with President Reagan when he was here. He reiterated the full support of the Government of the United States for the construction of the whole pipeline. I am happy that the New Democratic Party is also in support of the construction of the complete Alaska pipeline.

Mr. Baker (Nepean-Carleton): They are going to raise the money for it at their convention.

Mr. Lalonde: Negotiations regarding the land claims with the native people of the Yukon are taking place at the present time. They are very active. The government is taking every step to ensure that this important project for Canada will be realized. I just ask my friend to have more confidence in the government.

[*Translation*]

EXTERNAL AFFAIRS

DETENTION OF CANADIANS IN PERU—POSSIBILITY OF INVESTIGATION BEING ESTABLISHED

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is for the Solicitor General. Last week, both in this House and elsewhere, the situation of Canadians held or interrogated in Peru was discussed, and it appeared from the answers given by the minister that the RCMP had not been involved with Canadian citizens in Peru. However, on Monday, two Canadian women just returned from Peru stated that, far from doing nothing, the RCMP had played a negative role and used what has been described as torture in dealing with Canadians in that country. In view of this information, has the minister looked into the matter and can he tell the House whether the RCMP has been involved in some way with Canadians held in Peru?

[*English*]

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there is an important exchange of information policy between the RCMP and other police forces touching the international movement of drugs. In Peru we have an RCMP liaison officer who informs local authorities about movements of suspected drug dealers. We obtain similar benefits from foreign police services with regard to movements to Canada.

There was a particular incident in which a member of the RCMP acted as an interpreter during an interview which took place in Peru, but that was a simple translation function. I can categorically confirm what I said in the House last time, that the RCMP certainly did not participate and did not witness the types of incidents that were described by Miss Durand that I read about in the media when she came back to Canada. In fact when Miss Durand was arrested in Peru by Peruvian authorities, since the RCMP have no authority to act as policemen in foreign countries, 5.5 pounds of pure cocaine were found and an illegal drug factory was discovered. The decision not to proceed with prosecution of her was not made by Canadians but was made by duly constituted Peruvian authorities.

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REGIONAL DEVELOPMENT

BRITISH COLUMBIA COAL PROJECT—SOCIOECONOMIC IMPACT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of Regional Economic Expansion with regard to the possible involvement of his department in the development of coal mines in north-eastern British Columbia. Has the minister examined his position to determine the need for a socioeconomic impact study and whether it would be advisable to convince the province of British Columbia and the companies to negotiate terms relating to socioeconomic conditions that will be

imposed on the area? I ask that with the particular view in mind of helping not only the new community but the existing community to cope with the massive influx of new population to assure that the additional costs that will be placed on the area will not be too onerous.

• (1150)

Hon. Pierre De Bané (Minister of Regional Economic Expansion): As you know, Madam Speaker, the Department of Regional Economic Expansion did participate with the province of British Columbia on feasibility studies and socio-economic impact. Further to the respresentation of the hon. member a few days ago about those studies, and there are over 100 of them covering several aspects of that major project, I have undertaken to have all those 100 studies placed in the Library of Parliament to be available to all members. As for future commitments of my department for the implementation of that project, that will, of course, be a decision of the whole government. As you know, negotiations are going on at this moment.

REQUEST FOR PUBLIC HEARINGS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, as the minister knows, there has not been any type of public hearing; in other words, there has not been any input either from individuals or municipal leaders in the area with regard to the whole development. In fact these studies the minister has referred to have not been available to municipal leaders in the area, even though the project is already committed and the tenders have been called.

Will the minister undertake to discuss with his counterpart in British Columbia and with his cabinet colleagues here the advisability of holding a set of public hearings in the area to determine the socioeconomic impact, with input from the local area and, having done that, insist on the establishment of a set of socioeconomic terms and conditions under which the project should proceed henceforth, before he makes his decision to spend public money to help the project along?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, it is precisely in response to the representations of the hon. member, bringing to my attention that all those studies, co-financed by my department, were not made available to the community and to the local leaders of that region of British Columbia, that I undertook that they be made available in the library. I could not send copies of those 100 separate studies to every member of Parliament.

As for the question of scheduling public hearings so people can present their own views about that project, I think the paramount authority there is the provincial government, but I would certainly support the view of the hon. member that the community in that region should have an occasion to put forward its own point of view about the development and the impact of that major project.

Oral Questions

EXCISE TAX

EFFECT ON PRICES IN CANADA

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Finance who will recall that earlier this week this House passed Bill C-57, an act to amend the Excise Tax Act, which contained a provision providing for an ad valorem tax on the items covered by that act. The provisions with regard to ad valorem have the effect of increasing the amount of tax that is generated in the event the price of the product increases, and reducing the amount of tax that is extracted from the public if the price of a product is reduced. There is no known Minister of Finance who would want to reduce the tax extracted from the public; accordingly that bill in itself must have as its object the increasing of tax. The minister just returned from an OECD meeting in Paris, France—

Some hon. Members: Question.

Mr. Gamble: You will have the question. He suggested there that the main objective of the government was to "break inflationary expectations", and he has recited that purpose in the House a number of times. How does he equate that alleged objective, so announced in Paris and in this House, with a bill passed by this government which has the absolutely opposite effect, telegraphing as it does to the Canadian people that the government expects prices in Canada to increase?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the bill does not telegraph any such message at all, in my opinion. It is not now the government's bill, it is the bill of the House of Commons as it was passed on third reading by a very strong vote and received the endorsation of the House.

CANADIAN POLICIES

Mr. John Gamble (York North): Madam Speaker, I can proudly say that on all those occasions I had an opportunity to vote against that horrendous legislation.

One of the high interest rate impelling reasons that has been given is the need to sustain the value of the Canadian dollar; in the event that our interest rates in Canada dropped and were not in fact tied in some way to those in the United States our dollar would suffer a genuine battering on the monetary markets. The minister will know that—

Some hon. Members: Question.

Mr. Gamble: The minister will know that just recently the Conference Board of Canada has suggested—

Some hon. Members: Question.

Madam Speaker: Order, please. I can sometimes accept that a first preamble might be a bit long, but certainly not a second one. Would the hon. member put his question.

Mr. Gamble: Madam Speaker, would the minister indicate to the House why, during an election campaign, we may have a made-in-Canada oil policy for pricing, but while his government is in office we cannot have a made-in-Canada interest rate policy for this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I tried earlier to explain to the hon. member for York North that there is presently in the Canadian economy a very strong demand for loans. Yesterday when we had the auction for treasury bills the pressure on the treasury bill rate was established by Canadian bidders for funds. While I do acknowledge that there is obviously an impact on Canadian interest rates as a result of rates in the United States, and there is a balance between interest rates and the exchange rate, nevertheless I think there is at the present time in Canada a made-in-Canada inflation that is resulting in a made-in-Canada pressure upwards on interest rates.

* * *

THE ECONOMY

INCREASE IN FARM BANKRUPTCIES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, in light of the last answer by the Minister of Finance, perhaps he could explain how it is that the dollar volume of personal and small business loans plunged by 60 per cent and 47 per cent respectively during the first quarter of 1981, according to Statistics Canada? This would seem to fly in the face of what he has just told the House.

My supplementary question to the minister has to do with this, Madam Speaker. We have had more figures released today that show that farm bankruptcies in Ontario have gone up 51 per cent and across Canada they have gone up 31 per cent. In light of what the minister has been saying about the need to have anti-inflationary policies, and we all agree on that but we want anti-inflationary policies that work, will he explain how farm bankruptcies, how cutting down on farm investment, and how cutting down on food production is conceivably anything other than a totally inflationary policy, because this cuts down on supply?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has used a percentage increase in the rate of farm bankruptcies which in itself might create anxiety, as any bankruptcy would, but the hon. member knows that, because of the very small number of farm bankruptcies, that percentage increase is not a very meaningful figure. The fact of the matter is that of the very large number of farms in Ontario the number of bankruptcies has been very, very small, and that testifies to the stability of agriculture in the province of Ontario. There have been some cases that are related to interest rates, but there have been some other important causes as well.

• (1200)

I do not think the hon. member ought to attribute all the developments in the agricultural industry to interest rates. There are such things as markets and crops and other costs which have added to the problem as well.

Mr. Rae: Madam Speaker, with respect to the complacency of the government and the minister in light of what has gone on, I am reminded that yesterday the government appointed Gerald Bouey to the Order of Canada, with interest rates of 20 per cent. One can only conclude that, if interest rates go to 30 per cent, Mr. Bouey will be named Governor General of Canada.

IMPACT OF UNITED STATES INTEREST RATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I would like to ask a supplementary question of the minister. It has to do with the very, very mixed signals we are getting from the government. When the Prime Minister speaks to this House he tells us that it is the fault of the Americans. He tells us that when he conducts the Summit he is going to be joining with his European colleagues to tell the Americans that they have to get interest rates down, that that is the message the government is going to be taking to the Summit, and that that is one of the consequences or results the government hopes to get out of the Summit, yet when we listen to the minister we get an entirely different answer. He tells us that interest rates in Canada are a product of what is going on in Canada.

I would like to ask the minister a very simple question. What is the message the Government of Canada is going to be taking to that Summit with respect to interest rates? Is it that interest rates are too high because of what is going on in the United States, or is he going to be telling President Reagan to keep interest rates up in the United States, that we are going to keep them up here, and that this is the policy which is really going to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member obviously was not listening to an answer I gave a few moments ago to another hon. member when I talked about the obvious impact that interest rates in the United States have on the Canadian economy. There is no doubt about it. There is an impact on the Canadian economy and on every European economy.

However, that is not the whole story. There is a very strong demand for loans and money in Canada at the present time which, the addition to the pressure from the United States, is adding to the upward drive on interest rates in Canada. It is not just one cost; it is several. The hon. member is a master of complexity, and I would like him to apply his talents to this particular field as well.

CROWN CORPORATIONS

INTRODUCTION OF OMNIBUS BILL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the President of the Treasury Board. Has the President of the Treasury Board been able to settle his differences with the Minister of Finance over the omnibus Crown corporations bill? If so, when will the bill be tabled in the House of Commons?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am grateful that the hon. member brings to the attention of members of the House this very important piece of legislation which, when brought forward, will essentially govern Crown corporations which are responsible for billions of taxpayers' dollars. Hence it is obvious that it can only be done with the greatest care and consultation. The Minister of Finance and I have been consulting for some weeks on the matter, together with other members of the government, and I think great progress is being made to bring forward a bill which all members of the House will recognize as being a major step forward in the control and accountability of our Crown corporations.

Mr. Beatty: Madam Speaker, I would have loved to have had the English translation of the minister's answer.

GOVERNMENT PRIORITIES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, may I bring to the attention of the President of the Treasury Board the answer he gave to the House on May 14, 1980, as recorded at page 1093 of *Hansard* when he said, and I quote:

> It is my intention to bring forward a Crown corporations bill incorporating such amendments to the proposed legislation as may be necessary to resolve some of the difficulties which have been raised. I hope to do that at an earlier date. I also regard that, as the hon. member does, as a priority item.

That was 13½ months ago. If that is the way the President of the Treasury Board feels about a priority item, how does he feel about matters of lower priority?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, not only is it a priority item but it is also a very important one. That is the point I made in my first answer. I do not think we should act precipitously in terms of legislation which is going to govern the control, accountability and direction of all our Crown corporations for many years to come.

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CUSTOMS AND EXCISE

INTRODUCTION OF LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of National Revenue. As the minister knows, there is great concern within the business community and the international community about introductions of changes to the customs procedures in Canada. I want to ask the minister a simple question. Is he intending to introduce a new Customs Act prior to this House rising or before this session ends?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, there is a new Customs Act being prepared in consultation with my colleagues, but I do not anticipate that it would be introduced before the present session ends.

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FINANCIAL INSTITUTIONS

INTRODUCTION OF NEW TRUST COMPANIES ACT

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is directed to the minister of state for financial institutions. At the time of the consideration of the revisions to the Bank Act the minister used as a trade-off the pending introduction of a new trust companies act. During the past several weeks we have seen an unseemly disorder in attempts to take over major trust companies in Canada. Would the minister tell us when that legislation will come forward, and will it follow the principle of the Bank Act to limit the size of individual holdings in major financial institutions in this country?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, with regard to the first part of the question asked by the hon. member as to when we intend to introduce a bill to revise the legislation on trust and loan companies, I can say that I would like to do so as soon as possible. As concerns the policies on which this bill will be based, unfortunately, I cannot announce them until they are approved by cabinet.

[*English*]

MINISTER'S VIEWS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, will the minister agree with me that at the time of the discussions on the Bank Act he expressed serious views with regard to major holdings and attempts by major individuals in the country to take control of our senior trust companies?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, as I recall the discussions we had in this regard, they dealt mostly with the Bank Act and the Quebec Savings Bank Act. Both these acts contained provisions on the limitation of share ownership and I commented on the position of the government concerning the provisions of these two measures then before us.

Public Accounts

ROUTINE PROCEEDINGS

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

TABLING OF POLICY RESPECTING LEGAL FEES FOR MEMBERS AND FORMER MEMBERS

Hon. Bob Kaplan (Solicitor General): Madam Speaker, following the questions put yesterday in the House by the hon. member for Nepean-Carleton (Mr. Baker), I would like to table, pursuant to Standing Order 41(2), a copy in both official languages of the policy of the Royal Canadian Mounted Police concerning legal fees for members and former members.

* * *

[*English*]

PETITIONS

MR. FLIS—SUPPORT FOR RECOGNITION OF JULY 1 AS CANADA DAY

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I have the honour to table petitions from the metropolitain Toronto Canada's Birthday Committee supporting the proposed Bill C-37 officially recognizing July 1 as Canada Day. I am pleased that all three parties have agreed to debate Bill C-37 in this House on Monday, June 29. The passage of this bill will emphasize our belief in a united country belonging to the people of Canada and will express our pride in our great land.

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PUBLIC ACCOUNTS

CONCURRENCE IN EIGHTH REPORT OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra) moved that the eighth report of the Standing Committee on Public Accounts, presented to the House on Tuesday, June 23, 1981, be concurred in.

He said: Madam Speaker, in moving concurrence in the eighth report of the Public Accounts Committee I just want to say a few words of explanation before asking the House for its concurrence.

It has been a short tradition—but, nevertheless, a tradition—for all chairmen of public accounts committees in Canada to meet once a year. This third meeting is to be held next month in St. Andrews, New Brunswick. I, as chairman, am unable to attend this year and the vice-chairman, the hon. member for Dollard (Mr. Desmarais), also cannot attend. Therefore, the hon. member for Capilano (Mr. Huntington), former chairman of the committee, will attend.

• (1210)

It was decided at our meetings last year in Winnipeg that it would be helpful if a member of the research staff of the Standing Committee on Public Accounts attended and, of course, his expenses will want to be covered.

This meeting is held at this time so as to correspond with the meeting of legislative auditors from across the country, and I am happy to say this year's order of business will include the so called Kelly report prepared by John Kelly for the Canadian Comprehensive Auditing Foundation dealing with Standing Committees on Public Accounts. It will be most helpful if the House will concur in meeting the expenses of the research officer and the member of the committee travelling there.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 63, 111, 2,304, 2,505, 2,558, 2,569, 2,570 and 2,585.

METRIC CONVERSION

[*Text*]

Question No. 63—**Mr. Cossitt:**

1. What was the average cost to merchants in the test cities Peterborough, Ontario, Kamloops, British Columbia and Sherbrooke, Quebec, where metric conversion was put into practice on an experimental basis?

2. Did many merchants purchase scales at an average price of $5,000 and, if not, what was the price?

3. Is the government aware that the United States government has estimated the cost of metric conversion between forty and one hundred billion dollars and, if so, do the figures conform proportionately to the situation in Canada?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned:

2. The exact cost of scales conversion to merchants in the test cities of Peterborough, Kamloops and Sherbrooke is not known. However, the cost of converting scales varies with the type of scale involved as follows:

Modern Electronic Digital Scales—These have a built in conversion capability and are usually converted at no charge.

Early Models of Digital Scales—Conversion costs vary from $300 to $1,000.

Mechanical Scales in Good Condition—Costs vary from $100 to $400, depending on the type of conversion chosen.

Automatic Labelling and Prepack Scales—These scales are only used in larger supermarkets and are convertible at $800 to $900.

It should also be noted that many merchants took the opportunity of metric conversion to upgrade or replace scales which had obsolete price ranges, e.g. scales which had a maximum price range below today's price requirements.

2. The only scales with an average price of $5,000 or more are the sophisticated automatic labelling scales used by the larger supermarkets. Such scales are convertible and do not need to be replaced.

The average price for normal electronic digital scales is in the $2,000 range and for new cylinder scales around $1,000.

3. The basis of estimates of $40 to $100 billion as the cost of conversion in the U.S. is not known and thus no comparison can be made with conversion costs in Canada. Experience has been that actual costs are normally much less than original estimates, for example, General Motors have found the cost to be less than 1 per cent of their original estimates.

METRIC CONVERSION OF "CALORIE"

Question No. 111—**Mr. Cossitt:**

1. Is the "calorie", under the changes to the metric system, a metric measurement and, if so, is it planned to drop the word and to substitute with "ergs, joules, kilojoules" and, if so, what is the purpose of dropping a word or measurement with which Canadians are familiar to be replaced by such difficult names?

2. In what way does the government feel that this will benefit the Canadian economy?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as Metric Commission Canada is concerned:

1. The Weights and Measures Act of 1971 specifies the International System of Units (SI) as the latest evolution of the metric system to be legal in Canada. The calorie and the erg are obsolete metric units which, not being coherent, in the case of the calorie, nor a preferred sub-multiple, in the case of the erg, are not used with International System of Units (SI). (Source—CSA "Canada Metric Practice Guide" 1979 Edition). The joule and its preferred decimal multiples and sub-multiples will replace both the calorie and the erg. The kilojoule is equivalent to one thousand joules.

Most everyone is familiar with the SI unit of power, the watt, and the expenditure of energy at the rate of one joule per second produces a power of one watt. The energy consumed by a 100 W light bulb is 100 J/s (joules per second), and if one leaves a 100 W light bulb burning for one hour the energy consumption is 360,000 J or 360 KJ (kilojoules). Other ways of expressing this are obviously 100 W.h (watt hours) equals 360 KJ (kilojoules) or 1 W.h equals 3.6 KJ.

The use of the kilojoule was recommended for the human diet by the Intersectorial Committee on the Adoption of the Kilojoule in its 1975 report and again in its revised 1980 report. This is a committee of Metric Commission Canada under the Health and Welfare Sector. It is made up of volunteer members representing diverse groups such as: Canadian Medical Association, Canadian Dietetic Association, Canadian Grocery Products Manufacturers Association, Consumers' Association of Canada, and the Sports Federation of Canada.

2. The benefits of adopting the joule parallel those of adopting the International System of Units, including rationalization of energy terms and simplification of energy calculations.

(a) Rationalization

The use of the joule will promote consistency, rationalizing the many units now used for energy into a single unit. This one unit, the joule, will replace the several calorie terms such as large calorie, kilocalorie, thermo-chemical calorie, cal 15, IT calorie, in addition to replacing other energy terms such as British Thermal Unit and therm.

(b) Simplification

Various types of energy are interconvertible. Because the joule will be the sole unit used to describe energy, time and money will be saved by reducing the number of calculations required in converting among energy units. Only one energy unit will need to be taught, thus saving time in the educational process. It is the internationally accepted SI unit for energy.

Potential benefits of this are: it will facilitate tracing of convertible energy in the ecological cycle; facilitate economic studies for the efficient convertibility of energy; simplify comparison of data among scientific disciplines; and facilitate cost-benefit analyses of energy required for crop production versus energy released by metabolization of crops produced.

TASCHEREAU PAPERS—CBC NEWS COVERAGE

Question No. 2,304—**Mr. Cossitt:**

With respect to the Taschereau Papers as dealt with in the House on March 25, 1981, did the CBC news program "The World at Six" on that date and the news program "The World at Eight" on the day following ignore this subject completely and, if so (a) what are all the reasons (b) is this policy based on the possibility that persons with former and present CBC connections might be named in the Taschereau Papers?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

I am informed by the Canadian Broadcasting Corporation as follows: the hon. member's question in the House on March 25 was not mentioned in "The World at Six" on that date or "The World at Eight" the following morning. However, the Taschereau Papers were mentioned in "The World at Six" on March 26 in a reported interview with the Hon. Allan Lawrence, PC, QC, MP.

(a) It was an editorial judgment not to report on the question.

(b) The editorial and journalistic considerations involved do not constitute a CBC policy. With

regard to the remainder of (b), see Beauchesne, fourth edition, Chapter 5, section 171(i) re questions containing imputations.

PERSONAL INSURANCE CO. OF CANADA

Question No. 2,505—**Mr. Cossitt:**

1. Have departments become involved in providing information to employees concerning methods of obtaining personal insurance on automobiles, houses, etc. through the Personal Insurance Co. of Canada and, if so (a) which departments (b) under whose authority was the step taken in each department?

2. In each case, were competitive proposals or bids obtained from any other insurance company and (a) if so, what are all the details (b) if not, for what reason?

3. To the knowledge of the government (a) what are the names of all the directors, officials, etc. of the Personal Insurance Co. of Canada (b) what was the annual premium volume in each category of insurance written by the Company in each of the past five years?

4. To the knowledge of the goverment (a) is the Royal Insurance Co. the largest insurance company in Canada (b) what was the annual premium volume in each category of insurance written by the Company in each of the past five years?

5. Did the government investigate whether or not the selection of the Personal Insurance Co. of Canada was based on any form of patronage from the Liberal Party or from any government official and, if not, does it intend to do so?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Treasury Board and the Department of Insurance as follows:

1. The Treasury Board is not aware of any department or agency coming under its purview being so involved.

(a) not applicable;

(b) not applicable.

2. Not applicable (see 1 above).

3., (a) Directors of the Personal Insurance Company of Canada:

Jean-Marie Poitras

Hans P. Johne

Claude Castonguay

Marcel Dumas

Gaetan Drolet

Jacques Douville

Richard C. Meech

George L. Bowie

Michel Marchel

Officers of the Personal Insurance Company of Canada:

Chairman—Jean-Marie Poitras

Vice-Chairman—Claude Castonguay

President—Jean-Marie Poitras

Executive Vice-President and General Manager—Hans P. Johne

Deputy General Manager, Insurance Operations and Corporate Secretary—J. Terrence Kelaher

Deputy General Manager, Finance—Brian F. Bennett

Assistant General Manager, Underwriting Operations—Olda Spilar

Assistant General Manager, Information Services—Paul Castellani

Assistant General Manager, Counsellor Services—May L. Kerr

Assistant General Manager, Quebec—Jean-Pierre Bastien

Assistant General Manager, Western Regions—Elsie Woods

Claims Manager, Canada—Michael Schimf

Marketing Manager, Canada—Chuck Lawrence

Controller—Mary Wynn Fini

(b) Net Premium Volume ($000s)—The Personal Insurance Company of Canada

Class	1980	1979	1978	1977	1976
Property	3,255	2,014	1,343	755	704
Auto, Liability	906	5,264	4,741	3,204	2,673
Auto, Personal Accident	6,268	672	3,734	366	225
Auto, Other		4,503		2,463	1,758
Fidelity					(−5)
Liability				(−4)	161
Surety					11
Marine	2	2			

4. (a) Royal Insurance Company of Canada is the largest property and casualty insurance company in Canada, both when measured by total asset size and by total net premium volume.

(b) Net Premium Volume ($000s)—Royal Insurance Company of Canada

Class	1980	1979	1978	1977	1976
Property	83,820	86,530	87,815	58,090	42,529
Accident & Sickness	1,152	1,164	1,147	1,006	781
Aircraft	122	79	161	166	161
Auto, Liability	81,814	86,304	84,031	60,995	46,862
Auto, Personal Accident	7,133	6,354	5,889	3,503	2,510
Auto, Other	67,113	68,849	63,081	38,538	28,833
Boiler & Machinery	6,117	5,515	5,120	3,068	2,543
Fidelity	1,210	1,269	1,294	883	702
Liability	23,649	22,783	25,583	16,523	11,216
Surety	623	601	508	332	272
Marine	2,662	2,088	3,214	2,610	2,178

5. Not applicable (see 1 above).

ASSOCIATION CANADIENNE DES VÉTÉRANS DU HOCKEY—FINANCIAL SUPPORT

Question No. 2,558—**Mr. Gamble:**

Did any department provide financial support during the fiscal year 1980-81 to the Association canadienne des vétérans du hockey and, if so, in what amount?

Hon. Gerald Regan (Minister of Labour):

The Association canadienne des vétérans du hockey received a contribution of $79,112 from Fitness and Amateur Sport during the fiscal year 1980-81.

TREASURY BOARD—NUMBER OF DEBTS WRITTEN OFF

Question No. 2,569—**Mr. Cossitt:**

In each of the past four fiscal years, what was the total amount of debts under $5,000 owing the government that were written off by the Treasury Board, including the number of debts involved and the dollar value by year?

Hon. Donald J. Johnston (President of the Treasury Board):

In each of the past four years the total amount of debts not exceeding $5,000 due to Her Majesty deleted by the Treasury Board and the number of debts involved is detailed in Public Accounts under the following references:

1977	Section 11	page 11.21
1978	Section 9	page 9.22
1979	120Section 12	page 12.27
1980	120Section 12	page 12.31

TREASURY BOARD—DEBT DELETION

Question No. 2,570—**Mr. Cossitt:**

1. Over the past four fiscal years, were debts over $5,000 owing to the government reduced to one dollar to get around the fact that debts in this category could only be wiped out by statute and, if so, how many?

2. (a) What was the total amount of the actual debts before such reduction in each year (b) what was the actual dollar value before reduction to one dollar in each year?

3. What is a complete list of all such debts over the four-year period, including the full amount and the name of the person or corporate enterprise involved?

Hon. Donald J. Johnston (President of the Treasury Board):

1. No debts in excess of $5,000 were reduced to $1 to get around the fact that debts in this category could only be wiped out by statute. By section 18 of the Financial Administration Act, Parliament has reserved the right to delete debts exceeding $5,000. Traditionally, the authority for the deletion of debts has been included in supplementary estimates by means of a nominal $1 vote. The $1, which is not actually spent, is required for the item to be included in the related Appropriation Act and its passage legislates the deletion because of the vote wording.

2. (a) Pursuant to the explanation provided in 1. above, the total dollar value of the actual debts deleted by vote through an Appropriation Act over the past four years is detailed in Public Accounts under the following references:

1977	Section 30	page 30.7
1978	Section 30	page 30.7
1979	Section 31	page 31.7
1980	Section 31	page 31.7*

*The debts approved for deletion by the Treasury Board in this year were not deleted by parliament.

(b) See 2. (a).

3. The manpower and other resource costs required to list the name of the person or corporate enterprise and the full amount of each debt is prohibitive.

TREASURY BOARD—PERSONS IN TEMPORARY ASSIGNMENT POOL

Question No. 2,585—**Mr. Howie:**

1. How many persons were employed by the Treasury Board in the temporary assignment pool as of April 1, 1981?

2. What was the salary level and what were the duties of each position?

Hon. Donald J. Johnston (President of the Treasury Board):

1. Forty-three.

2. The temporary assignment pool is a group of senior executives and officers who can undertake priority assignments of a temporary nature within departments at the request of the deputy minister.

As of April 1, 1981, the distribution of TAP positions, the salary ranges and duties were as follows:

Position: Senior Policy Advisor

Classification and Salary: SX 3 / $46,800 to $64,000

Total number: 9

Summary of duties:

Under terms of reference established at the deputy ministerial level, the senior policy advisor assumes responsibility for planning, program evaluation and policy analysis of major programs in the department to which he is assigned.

Examples of the responsibilities associated with such assignments would include the following: review and analysis of legislative and constitutional basis of departmental programs, and the development and presentation of proposals for amendments to enabling legislation for cabinet consideration; representing the department, in respect of assigned areas of responsibilities, before the Treasury Board and cabinet, Parliamentary and Senate committee.

Position: Policy Advisor

Classification and Salary: SX 2 / $41,900 to $57,100

Total number: 14

Summary of duties:

Plans, directs and co-ordinates projects associated with the analysis, evaluation, organization and/or

development of departmental capabilities in respect of new or revised programs of major consequence to departmental operations.

Examples of the responsibilities associated with such assignments would include the following: Development and presentation of proposals for revisions to legislation for consideration by the deputy minister and/or minister; analysis of departmental programs, objectives and requirements in light of changing economic social or political requirements, and development of associated advice and recommendations to the deputy minister and minister.

Position: Policy Advisor

Classification and Salary: SX 1 / $36,800 to $50,600

Total number: 9

Summary of duties:

Plans, directs and carries out assignments relating to the appraisal, analysis and development of policies and programs on behalf of federal departments and agencies: review legislation, policies and precedents relating to assigned areas of responsibility, and developing and presenting proposals and recommendations on new or revised programs, changes to legislation and/or amendments to policies to senior management of the department; develop and present, for consideration by senior departmental management and/or the minister concerned, recommendations for improvement in the effectiveness and efficiency of departmental operations.

Position: TAP Officer

Classification and Salary: AS 8 / $33,600 to $41,500

Total number: 9

Summary of duties:

Under the general direction of a senior executive, conducts a program of study and evaluation of the department and more specifically of the areas of assigned responsibilities; evaluates the effectiveness and efficiency of existing programs in terms of departmental objectives and legislative responsibilities and analyses departmental requirements to meet these responsibilities; develops and presents recommendations for changes in policies and programs; provides consultative and advisory services for the implementation of changes in policies and programs; directs assigned staff resources.

Position: Policy Analyst

Classification and Salary: ES 7 / $43,922 to $47,859

Total number: 2

Summary of duties:

Under the general direction of a senior executive conducts major project evaluations of the effectiveness of actual or proposed departmental policies, programs or projects, in realizing the objectives of the government and the department to which he is assigned at the lowest cost in terms of other objectives. The policy analyst is responsible for providing recommendations on the concepts and methodology necessary for the development of the project proposals, and prepares project reports, summaries and advisory memoranda for senior officials of the department to which he is assigned.

Note: All TAP positions with the exception of the 2 ES positions are to be converted to the new management category. Salaries will be revised accordingly effective April 1, 1981.

[*English*]

Mr. Collenette: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: All those questions have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58(10)—ALLEGED FAILURE TO BRING BEFORE PARLIAMENT ECONOMIC POLICIES

Mr. G. M. Gurbin (Bruce-Grey) moved:

That this House condemns the government for failing to bring before Parliament effective economic policies to deal with the present economic crisis and end the disastrous interest rate squeeze on the small business, industrial and agricultural sectors.

He said: Madam Speaker, this motion is put forward on our final opposition day of this session at a time when there has been criticism of this party in terms of the motions we have brought forward previously, and also at a time when there is a question in terms of government inaction in addressing the economic difficulties faced by Canada today.

I would like to restate the motion we put forward because I think it is really at the heart of the difficulties in terms of the government's viewpoint and what needs to be done:

That this House condemns the government for failing to bring before Parliament effective economic policies to deal with the present economic crisis and end the disastrous interest rate squeeze on the small business, industrial and agricultural sectors.

That is a fairly strongly worded motion, Mr. Speaker. The word "condemn" is there, a word I think none of us likes to use in normal conversation, particularly when addressing the Government of Canada. However, it is an appropriate word because the inaction of the government in addressing what is truly an economic crisis threatens in the long term to put us in a position where economic recovery will be impossible. In the short term it addresses the issue of what will happen to the primary producers of this country.

The Minister of Finance (Mr. MacEachen) has heard all this before. The difficulty is that he is not addressing the problem. He answered some questions today in a way that really slips through and slides around the issue and difficulties being faced by producers, small businessmen and the people of Canada who are facing the brunt of these economic policies.

Whatever the minister has said so far, the bottom line of the whole issue is that what he is doing is not working. If he argues that his high interest rate policy is to reduce consumer spending, he makes the case very well today that the pressure for loans on the banks is as high as ever. The fact is that we are facing continuously high interest rates which have not decreased in the face of government policy over the past six or nine months, ever since, in fact, the government took power. The situation is not improving; rather it is deteriorating.

One of the main problems faced by the government, and the Minister of Finance addressed this very directly in some of his comments today, is that the high interest rate policy by itself is not the single problem. There is no question about that. It indeed happens to be the biggest single problem faced by producers, by entrepreneurs who would like to start a business, or small businessmen who have an opportunity to expand but cannot because they cannot face the interest rate charges. He talked about fertilizer in the agriculture industry.

The Minister of Finance just spoke proudly of Bill C-57. He has to know that in that bill he imposes a 30-cent tax which affects the cost of fertilizer, the cost of home heating for numerous Canadians, that in fact affects our ability to export because exports of natural gas to the United States are down 25 per cent. Minimum quantities of gas are being taken because American consumers do not want to face that additional charge and they are now looking to their own supplies. So instead of taking the maximum amount which would return revenue to the government, they take minimum amounts, which again reduces government revenue. Farmers must face the higher fertilizer costs in combination with the other pressures they have. Home owners and people who must pay heating bills have to face these higher costs. So it is in fact a combination of effects as a result of the government's total economic policy which has led us to the crisis we are now facing.

I believe, Mr. Speaker, individual Canadians are proud people. They do not want to face financial losses such that they have to declare bankruptcy. They do not want to suffer what they consider to be the shame in their own minds, if not in others, of incurring the losses and failure identified by the statistics we call bankruptcies. That is why those statistics do not tell the story about Canadians who withdraw from or do not enter into business activities or farming. They do not tell about the people who quietly go their way without complaint because they have pride, a pride which we should try and foster.

It is a little like the farmer I talked to last night who has farmed for his entire life and has a son who would like to farm. He would like to help him but he is faced with a situation now, with interest rates being the single most significant economic factor, where he has sold his farm and will sell the rest of his property and withdraw completely from agriculture because he sees no future in it. That person is representative of the over 1,000 people in Ontario who withdraw from agriculture each year.

The Minister of Finance spoke about the strength of the agricultural community. Indeed, that is true. There are 700,000 people in Ontario alone who are either directly or indirectly affected by and depend on agriculture for their livelihood. That figure is vulnerable today because that community is vulnerable as a result of the combination of effects, with interest rates being the most important.

Last fall businessmen responded to a survey by the Canadian Federation of Independent Business. On questions regarding the effects of high interest rates on their particular businesses, 55 per cent of them responded by showing their profits were in fact reduced as a direct consequence of these rates. That is a sector of our economy, Mr. Speaker, which accounts for somewhere near 60 per cent of employment. Those people are vulnerable. They face the same kind of pressure. Indeed, they are the same kind of people who do not want to face bankruptcy and who will withdraw, if they can, quietly and proudly in order to avoid the shame of bankruptcy. The number of those people is the number which is really important, and the number of those people will be quadrupled by the fall of this year.

• (1220)

The question which must come up is wherein the responsibility lies for the present crisis. We know from the statistics of 1980 that consumer spending figures are fantastic. The amount of money Canadian consumers have spent on consumer goods is somewhere around $167 billion. In one way or another the people of Canada are entrapped in a situation which has left them as individual consumers at a point where they have a habit of spending perhaps more than they should and have a credit habit which has been fostered over years of affluence.

The government has been in power now for 16 years with the exception of nine months. The government itself must set an example. In looking at the example the government has set for them, these people must ask themselves these serious questions: Where is the government coming from; what is it saying; what is it doing? The government has campaigned and repeatedly indicated the effort it has made to reduce its deficits and the effort it must make to reduce its spending. The bottom line is what the government is actually doing in contrast to what it is saying or the example it would like to set for Canadians. We know that we are spending well over $60 billion this year and that the deficit has risen to $14 billion. This is the kind of example Canadians have come to look to; it is the kind of model they have to follow in their own personal lives. This is one of the critical reasons why there is great difficulty in looking at a resolution to this problem.

The other aspect is the banks. Are the banks the ones to blame? What is happening with the banks? If we look at some

of their statistics and quarterly figures, we will see some amazing results in terms of operating profits and revenues. In the case of one bank, in the first quarter of 1981 its operating profit was $211 million. In the second quarter of 1981 the profits rose by a factor of four to $1,140 million. Not all banks have followed the same dramatic increase; there have been some changes.

The minister was talking about the small business development bond this afternoon. He discussed the amount of money which was put into the small business development bond. In fact, it is somewhere around $700 million and it could be about $2 billion, if things keep going the same way, by the end of 1981. Those figures have not really influenced the profits of banks. In that case they will not influence the taxation aspect of the banking system. The banks have indeed done well. There is no question that it is costing them more money to borrow and there is a balance somewhere. The banks have been part of the scheme. Their rates have been usurious. They have been criticized. In fact they are the focal point of individuals faced with bearing the brunt of high interest rates. They are part of the system, and the bottom line of the system is the government which needs to provide leadership but has provided no example at all.

The government's example is so ingrained and so much a part of the system that there will have to be a dramatic reversal in a number of areas in order for there to be any improvement. The specialization which occurs in the different branches of government is one of the key issues. These are broad issues which will not provide us with the answers today, but they are worth mentioning because they are important.

Let us compare the people in the Department of Finance with those in the Department of Agriculture and in the Department of Energy, Mines and Resources. These people are focused in their own territory. They have become highly specialized in one area. They have no sense of the integration which is required or of the ripple effects of their actions and directions in a number of areas. These people are well qualified. They have come up through a system which has perpetuated very understandably their own self-interest. They have a position, they have a territory. Unfortunately the necessary overview for economic survival and enhancement of the whole system is not there. It is somewhat like a specialist in pediatrics who deals with infants. He is topnotch in his own area, but he wonders why the mother of his patient who is on welfare goes out and becomes pregnant again; perhaps he will treat another child with the same congenital disease.

The problem is that there is no one focusing and putting together the different aspects. There is no one who has a feeling for it. As capable and well-intentioned as is the Minister of Finance, he does not have a grasp of what is really happening in terms of the energy future, the agricultural aspects of the economy, or some important things which are necessary for economic recovery. The integration of all those matters is not there.

The Minister of Finance likes to discuss the international aspects or the impact of such things as interest rates in the United States upon the Canadian scene. It has been mentioned many times before but it needs to be mentioned again that not only do we have a unique situation in Canada in terms of opportunities, distances, and a range of important elements but we have a system of government which has developed over a period of time.

Within that system we have developed a particular rationale for economic and monetary policies which does not take into account any of the other things happening in the United States at the present time, such as the bill before Congress to reduce taxation by $35 billion. The Americans brought in bills which deregulated the oil and gas industry to allow the private sector to thrive, to do the things which needed to be done in terms of exploration and development, and to do everything necessary for their energy future to be as secure as possible. Canada has not dealt with these matters in the same way. This is not good. It is really like trying to avoid the real issue by saying, "Yes, interest rates have an impact on our system and what we do in Canada with interest rates". But we cannot do this in isolation. If we look upon the Americans as an example of what to do, we should look at what they are doing in other areas as well to regenerate their economy. Perhaps we just hope to slide along with them in the event they are successful.

My final point concerns government priorities. A moment ago I mentioned the criticism that we on this side of the House have endured because we chose to use one allotted day to consider a moral issue. The day after, the government chose to introduce a bill on hijacking. The government has numerous opportunities, endless days, wherein it can introduce any legislation it wants. We on this side of the House would be more than pleased to co-operate and to deal with the serious economic issues with which the country is faced rather than the peripheral issues that are important in many ways but have no real effect upon the economic situation of Canada.

● (1230)

What are the results of this interest rate policy which we now have in this country? I think that the most succinct expression of this comes from a letter to the Prime Minister (Mr. Trudeau) from the Canadian Institute for Economic Policy, which I would like to read. I am sure that the Minister of Finance has read this letter. There are six points in it. These points state, in terms of what I consider to be a very credible body, the effects of the interest rate policy. I would simply like to describe them now. First:

> They have slowed down the rate of growth in the economy with the result that we have higher levels of unemployment than should be permitted.

That unemployment level is now well over a million and may be 1.25 million.

> The cost of unemployment, the under-utilization of our human resources, can be measured in economic terms. But the social cost represented by the frustration of those who cannot find jobs, and sometimes the broken homes that are the result, are no less real even though they cannot be measured statistically. Moreover, a sluggish economy means that government revenues are depressed and thus government deficits are considerably higher than they should be.

I am sure that the Minister of Finance has heard of the Lefler Curve, the disincentive in terms of taxation and the

experiences which have been gained in other countries, and the disincentive for individuals, for entrepreneurs and for business to engage in business activities because of the taxation rate. I think that is the emphasis of the first point which this report has brought forward. Second:

> Small and medium-sized businesses—most of which are Canadian owned—tend to borrow heavily from the banks for their capital requirements. As interest rates have gone up, more of these businesses have been driven into bankruptcy. The number of bankruptcies in March 1981 was 29 per cent higher than for the comparable month a year ago. With interest rates now payable by small businesses of 20 per cent or even higher, more bankruptcies can be expected.

The minister, in answer to questions earlier, responded by saying that the total number was not bad. While he is in the House, I would like to say that, in fact, the absolute numbers are not that great when one looks at Canada as a nation. However, when one talks about those numbers, one is really not talking about the impact that these interest rates are having because of the number of Canadians who voluntarily withdraw, first of all, from their businesses and their enterprises, whether it is farming, tourism or whatever. It really goes beyond that, because at some point in time some of those people who have been severely affected even tend to withdraw from our system and lose confidence in it.

Third:

> High interest rates discourage all business enterprises, both large and small, from investing in new plant and equipment. The exact opposite is needed in the interests of improved productivity.

Fourth:

> High interest rates have increased costs all through the economy and, therefore, are themselves inflationary.

This is another principle which the Minister of Finance continues to deny, will not accept and will not face:

> In particular, they have added substantially to the cost of housing. This makes it very difficult, if not impossible, for young people starting life to purchase a home of their own, which is still the dream of most Canadians.

Fifth:

> High mortgage rates are causing considerable difficulties for home owners and for some farmers. Some have lost their homes as a result.

Finally, sixth:

> The Bank's continued efforts to encourage an inflow of capital, by keeping interest rates high, has resulted in a substantial increase in our foreign debt. And the carrying charges on this debt have added to the deficit on current account in our balance of payments.

Those are the six consequences of the high interest rate policy of the government. I think they are well stated. They give a broad picture of what is happening because of the government's policy.

One of the critical issues which comes as a consequence of decreased business activity is a dependency on government to seek revenues in other areas. This is part of the disastrous cycle in which we now find ourselves in Canada. It is part of the rationale and the motivation for many of the measures which have been brought forward in bills such as Bill C-57.

The effects caused because the government wants to increase its revenue have strained the fibre of our national unity to almost the breaking point in many regions of our country. The issues are really premised on two things. They are premised on a question of central federal control which in many ways I would support, and I think it is appropriate; but they are also premised on the basis of government needing revenue because its other policies demand it. It does not invest or manage the economic affairs of the nation in a proper way. Therefore, it requires these revenues which, in themselves, defeat the purpose by decreasing activity in a number of areas.

Mention was made of the inflationary aspect of an *ad valorem* tax. This is unfortunate type of tax. Any *ad valorem* tax is unfortunate. However, it is unfortunate in the sense that, in itself; it again adds to inflationary pressure. It gives an example to everyone of the kinds of things which the government is going to do to maintain a revenue base when, indeed, the government should be trying to develop a tax base from a healthy economy instead.

I think there is no question that the only way we can achieve any resolution here is through economic leadership which must be provided by government. The banks will not do it. Individuals are now caught in circumstances where most of them really do not have an opportunity. Some larger corporations which have a considerable amount of equity may find some ways. However, in many cases those people are using a tax system which certainly will not provide increased revenue to the government in the short term, but they are avoiding taxes by doing things which larger institutions and corporations can do. In the end result, there might be a final concentration of power into larger corporations, chain stores and the sectors which can survive and withstand the pressures of the government's policies, or the government itself might expand and continue to have to try to provide support and relief measures for those people who have been disadvantaged and, in fact, thrown out of work by the policies which the government itself has created. People demand from the government and, in fact, need from the government the welfare support which is the only answer for their own personal survival.

However, the only way we can get recovery is through leadership from the government on an economic policy which will face, in terms of the productive sector, the needs it has in terms of borrowing costs, other advantages, the taxation system and deregulation and decontrol of the many aspects which are frustrating the production of many materials, including agriculture. There was an estimation that by simply deregulating, by simply taking away the massive controls and regulations which impose themselves upon the agricultural sector, the agricultural community, the primary producer, would save $1 billion a year in Canada.

There were a number of questions on the small business development bond earlier in the day. While the minister is now here, I would like to spend a moment on the small business development bond. At this time, according to the available figures, we have a diversion of funds through bank profits and other institutional profits of somewhere in excess of $700 million and calculations which bring us to $2 billion by the end of this year. Those funds are directed into specific areas, to specific groups which are able to qualify for them if, in fact,

those institutions are prepared to provide that funding within their own economic situation.

The amount of money which will be diverted into that bonding mechanism by individual banks varies from bank to bank. There are some banks which have notably used that system well and have promoted and advanced it. There are many other banks, particularly as one goes away from the larger branches of those banks, which, first of all, do not have a clue about the terms of reference, which is partly their fault and, I suggest, partly the government's fault. However, one finds that at the small branch level individual managers are not familiar with all of the provisions of those bonds, and this has, in fact, been a major difficulty for local people in taking advantage of them. There is no question about this. It is a real fault in the system. If it is, in fact, going to function in a way which will help primary producers and small businessmen, those banks simply must be better informed. They must understand the issues and the opportunities better. They must be able to communicate clearly and succinctly in informing people whether their cases might be applicable to the bonds.

● (1240)

The minister also mentioned the question of being able to divert funds in certain cases to operating capital and to allow people to use these funds for other than new expansion in cases where there is economic difficulty. But the difficulty is with the limitation imposed. The bank is required not to lend that individual or incorporated business any further funds. That is a stranglehold and something which makes it impossible for any movement within a certain economic situation any individual farmer or small businessman might have.

The minister talked about the bureaucracy and the difficulties in administration. An application came to the department four months ago. The minister knows that these applications have to be considered on a case by case basis. As an example, four months ago an application was made on the part of a unit which was economically viable on the basis of being able to qualify for this bond. Today that unit is frustrated and is in more economic difficulty because of the interest rate charges. The company is now looking at selling out completely.

This sort of thing happens partly because of lack of familiarity and partly because of the hesitancy of the individual banks to use the mechanism. The banks feel vulnerable because of repercussions if the taxation department tells them the loan was not justifiable in the first place. The banks are concerned about their own situation a year or so down the road in the event that the taxation department comes back to tell them it was not the right thing to do. If we are going to use this mechanism, we should address it. It should be clearly stated and clearly identified and made to function in a way which would expedite the provisions so the people who could qualify would qualify. That is the very least the government can do right now. That requires an administrative change. It is something that is sitting waiting to be done right now, and it should be done quickly.

The other point which the minister made concerned the agricultural community. He said that the agricultural community might expect the minister would look to either unincorporated farms or incorporated farms. I was not clear just how he stated it.

Mr. Baker (Nepean-Carleton): It was unincorporated farms.

Mr. Gurbin: He mentioned that there might be a provision within the bond to allow a special opportunity outside of this failure situation. Perhaps he could clarify that point.

Mr. Baker (Nepean-Carleton): It was incorporated.

Mr. Gurbin: Incorporated would present a difficulty for many farmers, but it can be overcome.

In conclusion, the time-frame is critical and important because it will end with this session of Parliament. It is important because the banks in my area specifically have shown leniency and the farmers have withdrawn from any aggressive action. But if we do not have measures that are identified and will address the problems, the whole situation may flare up, so much so that they will benefit neither the farmers, nor the banks, nor in the long run the government.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, it is a pleasure for me to follow the hon. member who has moved this motion. In moving the motion he has pointed out the seriousness of the situation, and in particular the very real difficulties which are being felt by farmers, small businessmen and Canadian industry as a result of the Canadian government's interest rate policy.

I must confess to a certain sense of frustration, having spent a great deal of time this session arguing that the government's policies do not make any sense and, that they are having a very harsh effect on Canadians. Also, convinced as I am, and as our party is, the harshness is essentially futile in that the government is lingering under certain illusions with respect to the consequences which this policy it is following will have on inflation.

We have heard from the minister, and we heard from him again in question period today, that this was the only policy the government can follow which will have an anti-inflationary effect. We have heard the same statements from the minister in different ways. I took some interest in reading the speech he made while he was in Paris attending the OECD meeting. The minister seemed to align himself with those, particularly in the United States and Britain, who have taken the view that the way to fight inflation, which is causing such problems not simply for the Canadian economy but for all western economies, is to carry on with the restrictive monetary policy, that this is the essential ingredient in the war on inflation.

I want to say to the minister that I do not think we can carry on very much longer with a sense of confidence that this policy is really having a great deal of effect. For example, he made much of the fact today that the demand for loans was still very high and was, in fact, inflationary.

Mr. McDermid: Consumer loans.

Mr. Rae: Yes, he mentioned consumer loans. He went through a range of areas where the demand for loans was causing this kind of inflation. I have mentioned to him, and I mentioned it again today during question period, that the evidence from Statistics Canada released just this week is that demand for consumer loans, personal loans, dropped very substantially in the past year by 60 per cent. The demand for small business loans dropped 47 per cent in the first quarter of 1981. That tells us something. It is a signal that the government must look at the situation, that we do not have interest rates which in a sense reflect the demand pull. We have interest rates which reflect the policy of the government with respect to the Canadian dollar. That is the hard fact of the matter.

The root of the interest rate policy of this government has, for some years, been a conviction that protection of the value of the dollar at a certain level was the *sine qua non* of its anti-inflation policy and that interest rates had to respond to events in the United States in order to protect the value of the dollar. Even if one accepts the premise about the dollar—though this is not the terms of the discussion today and I do not want to go into it at length—the consequence for the domestic economy is something that has to give rise to concern. The minister's answer to that has been to say that growth in the Canadian economy has been fantastic. We had fantastic growth in the last quarter of 1980 and we are experiencing it again in 1981.

I say to the minister that I suppose it depends from what point you see the growth. If you look at the basic rate of capacity utilization right across the economy, I do not think there is any great cause for optimism. I do not think the economy is working at full capacity or that it is the nature of domestic activity in the economy which is really driving our rate of inflation up. I do not think there is any evidence to suggest that is the case.

I am reminded of the debate we had a couple of weeks ago in the House when the chairman of the Economic Council of Canada was before the Standing Committee on Finance, Trade and Economic Affairs talking about productivity. The Minister has frequently talked about increased productivity as being the key to breaking this inflationary cycle in which we find ourselves. There is no question that increasing productivity of Canadian industry would do a great deal to reduce inflation. However, there was one thing which the chairman of the Economic Council of Canada made very clear, and he made it very clear in his report, and that is that, you cannot hope to increase productivity when the economy is being kept down at the level of capacity it is now.

● (1250)

This is the argument that should be going on in public with respect to the policies of the Bank of Canada. If we are serious about breaking the inflationary cycle, we are under a tremendous illusion if we think the way to do that in the current world context is to keep capacity down, working at far less than real potential. It will cause hardship in the economy. That is the inevitable, tremendously uneven effect of interest rates and inflation. This government is committed to an interest rate policy for reasons of exchange controls. The only kind of exchange control the government is prepared to contemplate is interest rate policy. That has been the case so far. Its interest policy is a form of exchange control. The government must face the task as to what other measures can be taken, fiscal, economic and planning, to deal with the consequences of high interest rates.

Let us look at the economy and the effects interest rates are having on patterns of home ownership and small businesses. There are problems of concentration in the economy. Real problems must be faced by the average businessman as a result of the fantastic cost of credit.

The farm industry was spoken of eloquently earlier. It is also affected. There is no sign of any letting up because the minister is convinced his policy is absolutely necessary. If we continue with this policy, it will have a devasting effect on the average Canadian businessman, home owner, potential home owner and farmer.

I want to deal briefly with those three sectors. First, I want to reiterate the point I made earlier with respect to the farm industry. I honestly do not see how a policy which restricts supply can be described in a sensible way as anti-inflationary. The minister mentioned in particular the hog and cattle sector. Credit has become the largest cost to the farmer. The level of indebtedness of farmers is fantastically high. Farmers are being driven out of business.

We have had in this House personal, anecdotal and statistical evidence, evidence of all kinds. The minister says it is not relevant because the number of bankruptcies is not that high. Bankruptcy is the end of the road. A lot of things happen before somebody goes into bankruptcy. They cut down on supply, sell off parts of the operation, go into a joint venture with somebody else for part of the operation, attempt to refinance, or sell the farm to a larger corporate entity, such as is happening in many parts of Ontario and right across the country. These things happen well before a farmer goes into bankruptcy. That is why looking at the absolute number of bankruptcies as an indication of what is going on in the agricultural sector is not a realistic way of assessing the problem.

The statistics merely show that the problem is much more severe now than last year. We did not need statistical confirmation of something we already knew. The fact is that farmers are being driven off the land. We are encouraging the process of corporate concentration and agribusiness and destroying the family farm. That is what the government's policies are doing. That is the slow, steady, persistent impact of the government's policies right across the country with regard to agriculture.

We have a Minister of Agriculture (Mr. Whelan) who sometimes thinks he is the minister of finance. The other week he was in the town of Nukko Lake in north central British Columbia to speak at a farmers' convention. At that time he produced the Nukko Lake manifesto, the personal manifesto of the Minister of Agriculture. The Canadian Press report of

June 20 reported the minister as saying that "some serious work is being done about changing the banking system in this country." He must be referring to the work of the NDP; I do not know what else he was talking about. He said the government will change the banking system if the chartered banks do not do something to help farmers.

The Nukko Lake manifesto was not the first manifesto of the Minister of Agriculture. We have had a number of them. They are amusing examples of an attempt to establish himself as a populist candidate in the one day, some day, forthcoming Liberal leadership race. It is a condemnation of our process when the Minister of Agriculture pretends that the government is serious about the effect interest rates are having on farmers. The minister pretends the government is doing something about the banking system and interest rates. The Nukko Lake manifesto, to put it bluntly, is an example of the big lie. Either the government is doing something about the banking system or it is not.

An aide to the Minister of Finance (Mr. MacEachen), the news report does not say who, stated "it is all new to me". In the House the next day the minister stated that he had no intention of reviewing the Bank Act. The government sent the Minister of Agriculture to deliver himself to various farmers groups. He was to tell them that the government was serious about doing something with respect to the banking system. However, we know it is not serious.

In conclusion, the government's policies do not make any sense to the average Canadian. It is becoming increasingly difficult for a home owner in a housing development who must renew his mortgage at 18, 18½ or 19 per cent while his next door neighbour with exactly the same accommodation is paying 12, 13 or 14 per cent because he bought at a different time. That is the roulette, arbitrary, random, and totally unfair effect that interest rates are having on Canadian consumers and businessmen. Eventually the government will have to recognize that it has a responsibility to minimize, even out and bring some rationality into an interest rate policy which affects people in ways that at the moment are totally arbitrary.

I see that the hon. member for Ottawa Centre (Mr. Evans) is shaking his head. When he gets up he will deliver himself of a Friedmanite defence of the government. We have the Friedmanites and Senator Lamontagne in the other place, and the minister somewhere in the middle telling us that he is not quite sure what the message is that he will take to the Summit; it will be on the one hand or the other hand. We have the Nukko Lake manifesto from the Minister of Agriculture.

We have the Minister of National Health and Welfare (Miss Bégin) talking about the need for child tax credits. However, when it comes right down to it, the government is not doing anything with respect to the real effect that these policies are having on the Canadian people.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock, at which time I expect to recognize the Parliamentary Secretary to the Minister of Finance (Mr. Evans).

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, it gives me a great deal of pleasure today to speak to this opposition motion which condemns the government for failure to bring in effective economic policies to deal with what the hon. member has termed "the present economic crisis", and in addition to that to end the squeeze that disastrous interest rates are placing on small businesses and others in our economy.

● (1410)

The interesting thing about that motion is that it says there is an economic crisis and, in addition to that, a squeeze caused by high interest rates. If I could, I would like to try to deal with the question of the economic crisis first and then move on to discuss the interest rate situation. What are the underlying causes of the current interest rate situation? What are the alternative policies open to the government? I want to try to explain once again to hon. members opposite precisely why it is that the government is pursuing the policy it is.

To my mind, the motion is rather nonsensical because by any standard there is no economic crisis in this country today. There are high interest rates, to be sure. We all admit there are high interest rates, and we know the impact high interest rates have on a large number of people. However, to talk about an economic crisis is to talk about masses of people being out of work. It is to talk about economic growth which is in recession proportions or depression proportions. "Crisis" has a very real meaning to the public, and to us as well, and certainly "crisis" does not describe the situation facing our economy today.

Mr. Lambert: Nonsense.

Mr. Evans: I see the hon. member for Edmonton West (Mr. Lambert) is going right up his tree. That is not unusual.

Let us look at the economic indicators which are usually used to define "crisis" in an economic sense. Economic growth in the fourth quarter of 1980 was, at an annual rate, over 9 per cent. The long-term potential growth of the economy is generally accepted to be somewhere in the range of 3 per cent or 3.5 per cent, but we are talking about an annual rate of growth of over 9 per cent. That is phenomenal growth. What happened in the first quarter of 1981? Annual growth was over 4 per cent, still above the long-term average potential growth of the economy. There is no crisis in economic growth.

The unemployment rate now stands at 7.1 per cent, the lowest rate since 1976. Over 61 per cent of the Canadian

working age population is now working. That has been the case for the last two months, and that again is a historical record for Canada. In the last 12 months this economy has generated over 417,000 new jobs. There is certainly not a crisis in job creation. There is certainly not a crisis in unemployment. There is certainly not a crisis in economic growth.

The problem we face is the problem of inflation and the consequent high interest rates which follow from a high level of inflation. The policy of the government is designed to attack that inflationary problem and get it under control so that growth, employment, inflation and job creation will all be at levels we want to see.

The government brought forward its framework for economic policy in the budget on October 28. Hon. members have been saying that that economic policy was inappropriate in one way or another ever since the budget. The budget brought forward a balanced approach to economic policy. It did not go holus-bolus after the deficit in an attempt to reduce it at all costs. Nor did it go after inflation in that way. We did not say we would beat inflation regardless of the cost. The government took a balanced approach to try to ensure that minimal damage would be done to the economy, and in a great many areas, as indicated by the statistics I have just quoted, the government is succeeding quite well.

What was that policy? First, it was to hold the rate of expenditure growth within the trend growth of the gross national product over the next four years. We are working on that policy well. We are achieving those results.

The second aspect was to reduce the deficit and financial requirements over time. The figures given in the budget respecting deficit reduction and financial requirement reduction were in fact exceeded in 1980-81. Our deficit was $1.4 billion below what the budget forecast. Financial requirements were $1.8 billion below what the budget forecast. That part of the program is being attacked with success.

The third goal was to reorder priorities toward economic development, industrial adjustment and manpower retraining—in other words, to try to put in place those policies which would lead to a stimulation of economic growth and development in the country. We know there is work going on now on the final phases of an industrial strategy. The Minister of Industry, Trade and Commerce (Mr. Gray) has been working on that, discussing it in his speeches and so forth. The just announced textile policy will help that particular industry adjust to higher rates of competition and to the removal of trade barriers over the next five to six years. That is a policy of industrial adjustment which is extremely important, not just in this part of the country but across the country. There are textile workers in Vancouver and Winnipeg as well as in Quebec and Ontario. That is an extremely important policy.

The Minister of Employment and Immigration (Mr. Axworthy) has announced a number of manpower training programs and employment-generation programs, and he will be announcing further programs.

Mr. McDermid: Peanuts.

Mr. Evans: Regardless of the comments of hon. members opposite, these policies are working and they will continue to work.

The fourth part of the policy of the government as brought down in the budget was a monetary policy consistent with a reduction in inflation. The government is supporting the efforts of the Governor of the Bank of Canada to bring down the rate of growth of the money supply so it will be more in line with the real output of the economy.

That is a balanced economic policy which, as I said, has not only had, but will also continue to have, successes on a wide range of fronts. Not only is it a balanced policy, but it is also a consistent policy.

Mr. Lambert: Consistently bad.

Mr. Evans: We have been saying for some time now that what the business sector is demanding is consistency, stability of policy and a certainty that it knows what the government is going to do in the area of economic policy. That is precisely what this government is attempting to provide. The government is attempting to provide a balanced economic policy. It is not a stop-go policy, it is a balanced policy. It has been well announced, it has been followed, and we intend to continue to follow that policy in order to provide that kind of stability and confidence in the business sector.

We have heard much from the other side about disagreement among economists and other observers as to economic policy. I would like to tell hon. members that that simply is not true. There is not disagreement on the fundamentals of the policy. There may be disagreement with regard to the extent to which certain levers are pushed or pulled, but there is no disagreement on the fundamentals of the policy. All economists, economic observers and analysts are indicating—and they agree with us—that there is a need for both monetary and fiscal restraint if we are to beat inflation. There is no question in the minds of any of those observers that inflation is the number one problem which has to be beaten if we are to get the economy back on a long-term path of growth and prosperity. That is precisely what the policy of the government is intended to do. Its goal is to get the economy on a long-term growth path in order to provide prosperity and growing wealth for Canadians, stable price levels and lower interest rates by far than those we have now.

What about the opposition? From what we have heard for the last many months I would say that the opposition parties are totally confused as to what is appropriate economic policy and what is not. Now, Mr. Speaker, what do we hear? We hear cries from the opposition that we should immediately take steps to reduce interest rates. On the other hand, they say we must get the rate of inflation down.

• (1420)

Mr. Lambert: Herb Gray said he would resign.

Mr. Evans: I intend to show very shortly that those two objectives are mutually inconsistent. If we are to bring interest

rates down immediately, the only result can be much higher inflation and consequently much higher interest rates in the very near future.

Another point, Mr. Speaker, is that we are being asked all the time—in fact, the hon. member for Bruce-Grey (Mr. Gurbin), who I respect as a conscientious and hard-working member of this House, asked us again today—to expand expenditures; in this case, the small busines development bond, but in other cases it is mortgage interest and property tax credit, assistance for farmers, assistance for this or that group, assistance for consumer borrowers. Yet in the same breath the opposition says we have to reduce the deficit, get it under control.

Mr. McDermid: You are not doing either.

Mr. Evans: Again, they are mutually exclusive objectives. You cannot increase your expenditures at the same time as you reduce your deficit, unless opposition members are saying we should have a major increase in personal or corporate taxes. That is one possibility. Or we should go through the government and slash literally billions from expenditures in other areas.

Mr. McDermid: You could do that.

Mr. Evans: I would like to know exactly where they are. If in fact the opposition is saying we should increase what have to be considered social transfers, areas within the social policy envelope, then the only places left to cut would be, for example, defence, or we could slash economic development. However, is either one of those consistent with what the opposition would like to see, especially economic development? If we are to get the economy moving again and see long-term, sustained growth, we cannot reduce our expenditures in the area of economic development. So that is the inconsistency on the other side which comes through day after day. The opposition does not have an understanding of the needs of the economy.

Mr. Lambert: You have to be smiling when you say that.

Mr. Evans: It does not have a consistent economic policy. I think any objective observer of this House day after day, listening to the admonitions of the opposition members, will agree with me 100 per cent.

Mr. McDermid: You are worse than when you were in the civil service.

Mr. Evans: Let us look, Mr. Speaker, at one of their options. Hon. members opposite say we should reduce interest rates immediately. Let me try to indicate what that would mean. It is clear our goal of reducing inflation over time will lead to lower interest rates; there is no doubt about that. If the policy is adhered to, as inflation comes down so will interest rates. However, I think the opposition misunderstand the causes of the current high interest rate situation. As a result they do not understand which remedies are possible and which are not.

As I have said a number of times, there are three factors contributing to the high interest rate situation. The first is the rate of inflation. If you annualize the monthly rate over the last four or five months, we have rates of inflation in the 13 per cent range, perhaps more. There is no way in the world people saving for retirement, to buy a house or for other reasons can be expected to lend their money for less than 13 per cent. If they do, the money they get back next year is going to be worth less than it is today. So the rate of inflation is always the bottom level for interest rates. You have to add to that the right savers have to at least some real rate of return, perhaps one or two percentage points above inflation. If you do that, you already have about 14 or 15 per cent. Then if it goes through a financial intermediary who is paying 15 per cent for savings, they have to have enough to at least cover their costs, so let us add another one and a half points. Now we have 16 or 16.5 per cent. Somewhere in there is the bottom line on interest rates today given the inflation factor. That is the primary driving force behind our high interest rates.

Now, on the other hand we have, as the Minister of Finance (Mr. MacEachen) indicated this morning, a fantastic demand for credit from a number of sources. When you couple that with the fact that now and over the last two to three years the Bank of Canada has been gradually reducing the growth rate in the money supply, you have a reduction in the credit available through the financial system at the same time as you have a big demand for credit because of inflationary expectations or other reasons. Those supply-demand considerations tend to push up the real rates of return individual savers demand.

The third factor, Mr. Speaker, is one which has been raised and bandied about on both sides of the House; that is, the high rates of interest available to Canadian savers in the United States. Those pressures are very real, but as the minister indicated this morning, we have not said and are not saying now that the U.S. interest rate situation is the only factor causing our high interest rates. The underlying cause is the inflation factor exacerbated by this demand-supply divergence.

I think to a great extent inflationary expectations are caused by the fact that a great many people say the government is not going to bring inflation under control; they are not really serious, they are not going to stick to the policy. As a result, they say they had better borrow and buy today because inflation is going to be a lot worse tomorrow.

Those inflationary expectations have to be broken, and the only way to do that is if the public becomes convinced the government is in fact going to stick to its policy. If the government reversed itself on this policy, you can count on inflation going right through the roof along with the expectations of inflation, with interest rates going even higher.

So, Mr. Speaker, we hear from the opposition members that the way to solve our high interest rate situation, to bring interest rates down, is either by decree or by putting on exchange controls; that if we do that and stop money flowing to the United States, interest rates will immediately tumble to 12 per cent. Well, Mr. Speaker, it just is not so. The basic

underlying inflationary situation in this country would not allow that to happen. The credit supply and demand in this country would not allow that to happen.

The situation we have now is that the market is far stronger than the Bank of Canada. There is no way the Bank of Canada can stand out in the street and by decree say interest rates will be such and such. The bank simply does not have that kind of leverage or muscle to go against the dictates of the market. The market is setting those rates, the treasury bill rates. Hon. members are saying yes, but the Bank of Canada is in there back and forth, in and out. But the effect of that is of the second order of small; it is minimal. The bank cannot stand against the wind week after week. If the tide is coming in, it is coming in; if it is going out, it is going out. The bank can moderate fluctuations but it cannot stand against the tide. That is the truth of the matter, Mr. Speaker.

It is not a policy of the government to say interest rates will be such and such. We have an inflationary situation in this country that we have to deal with. We have demand-supply conditions which are necessary if we are going to get inflation under control. And, of course, the last factor is the U.S. interest rate situation.

Now, Mr. Speaker, to summarize, how do you reduce interest rates? You do it by bringing down the rate of inflation. That, as I said, cannot be done by decree. The bank could do two things perhaps to make a short-term dent in interest rates. It could give up control of the money supply. It could say we are going to flood the market with new money tomorrow.

There is no doubt, Mr. Speaker, that in the very short term that flood of new credit coming into the system would depress interest rates. But the effect over a period of six months to a year would be an acceleration in the rate of inflation and interest rates a year hence would be much higher. We have seen this happen in other countries where governments have decided the way to fight high interest rates was to flood the system with all the credit it can stand to put more pressure on interest rates in an attempt to bring them down; more money means that the price of money should be cheaper. The flaw in that logic is that more money in the system also creates excess demand, which creates inflation. Then we are faced with a situation where individual lenders say, "I will not lend at less than the rate of inflation or take a negative return on my savings". This means that interest rates go up as well. It is a fool's game. That option should not be followed.

● (1430)

I suppose hon. members of the NDP have put forward the other option, that the bank could simply say, "Let the dollar drop wherever it wants to go; by doing that, we will be completely independent of the United States, and its rates will not have any effect upon us". As I indicated earlier, there are two other factors which would tend to keep our interest rates up substantially within a very narrow band of where we are now.

What would happen if we did that, if the dollar dropped substantially and interest rates came down? It would have an immediate inflationary impact. As soon as the dollar drops, everything we import from the United States or from any other country to which our currency is relatively depressed rises in price. Every product produced and sold in Canada, as well as being sold in export markets, rises in value in the export market. Therefore our producers are inclined either to send more of those goods into export, or they will raise the price here to match the price they can receive in export markets. Those two factors together mean an immediate burst of inflation in Canada and, once again, higher inflation leads to higher interest rates, not lower ones.

Another factor which should be considered is where it will stop. If we hold a differential between our rates and those of the United States, as was tried in Britain, the currency keeps flowing out. It is like turning on a tap. It does not only flow out for a short period of time, it keeps flowing out as long as the differential is maintained. Thus, how far down do we let the dollar go? Do we let it go down to 78, 75 or 72 cents? How far does it go down before interest rates are finally forced back up to stop it? It is a mug's game.

What effect will the decline in the value of the currency and its induced effect upon inflation have on wage settlements? Certainly when unions become involved in wage negotiations they ask, "What is the rate of inflation likely to be? We want at least to get that much as well as a real increase in our wages". If they see inflation accelerating the pressure will be to say, "No, we will not accept 12 per cent; we want 14, 15 or 16 per cent". But the pressure then builds upon wages. If such wage settlements are achieved we build in increased unit labour costs.

This is what happened in 1974. We were going through a period when suddenly there was an explosion of wage rates, with wage settlements at the 20 per cent range or more. This increased our unit labour costs and made them uncompetitive with those of the United States. Ultimately it led to a devaluation in currency to 83 cents, but it was largely responsible for the drop from $1 to 85 cents. There was a change in relative unit labour costs between the United States and Canada and the adjustment had to be made.

If we drop the value of our currency and it leads to inflation, which leads to higher wage rates here than in the United States or in other countries with which we trade, and our unit labour costs get out of line, it means the currency value will not recover. It is not a matter of dropping the currency value for a period of six months or a year, and then it will bounce back. It means we have ratcheted the currency down and it stays there.

The idea that we should go through a series of devaluations to solve our problem is a fool's game. It does not solve the problem. The problem is inflation; basically it is a monetary problem. It is one with which we have to come to grips and for which there is no easy solution. There is no painless solution to removing inflation from the system.

We have heard comments about increased expenditures. To alleviate the difficulties caused by high interest rates, we are being encouraged to increase expenditures in a number of areas. Certainly they are laudable objectives, but where will those moneys come from? Should we cut defence spending? Some people would say yes. Should we cut economic policy spending to assist those who are being hit by high interest rates? Should we increase taxes or the deficit? Despite what members of the opposition say about their commitment to deficit reduction, if push came to shove they would say, "Let the deficit go up a little".

What does this mean? How much are we talking about? We hear that we are supposed to help home owners, farmers, fishermen, small business people and consumers. When we stop to think of it, we are talking about everybody. Everyone who borrows money is being adversely affected by high interest rates; there is no doubt about that.

What are we talking about in those four main areas—home owners, small business, farmers and others? I should like to deal with the small business development bond extension and the mortgage situation. The Conservative mortgage interest and property tax credit, if fully implemented, would have been a $3 billion per year program. The small business development bond program is already running in the $200 million range. If it was extended to finance inventories, which would mean that all small businesses could refinance their inventories under this program, we could be talking about half a billion, three quarters of a billion or a billion. The estimates are hard to come by, but certainly in those two areas we are talking about an increase in expenditures of between $3 billion and $4 billion per year. If we increased the deficit by that amount in that fashion, I guarantee we would have to tell the Bank of Canada to forget about controlling the money supply and to buy our bonds because they cannot be put on the market. If that is the case, it will be inflationary and will cause higher interest rates.

If we do not tell the Bank of Canada to monetize that debt and we go straight to the market to float another $4 billion worth of bonds, we will put upward pressure upon interest rates because we will be taking additional revenues or savings out of the system. Thus, in an attempt to protect people against high interest rates we create conditions which in fact lead to higher interest rates. Again I say it is a fool's game. Either we have to come to grips with the problem and deal with it or forget it.

There is no way societies can allow inflation and all of its debilitating societal effects to persist, to accelerate and to worsen. We must come to grips with the problem. I am convinced the government has come up with a program which will work. It is a program which will bring inflation under control. It will lead to greater economic growth in the future. It will lead to prosperity. It is a balanced program. It is not one which singles out any particular group in society to suffer as a result of the policy to bring down inflation. In a very real way, all of us will have to take some of that pressure, and in fact we are all taking some of it.

In conclusion I should like to say that the policy has a number of possible alternatives, all of which are worse. The good Senator Lamontagne from the other place indicated another possible alternative, effectively saying we could bring on some kind of an incomes policy and turn loose monetary policy. As I said before, that is like putting the kettle on the stove, sealing the top and turning up the heat. The only thing one gets out of that is an explosion. The only question is, when does one get it? Is it sooner or later? Therefore, that is a policy option which should certainly not be followed by this government, and I would certainly not recommend it.

• (1440)

With that in mind, I would like to conclude by saying that certainly and stability of policy are required in the system now. The public must be assured that the government is serious about the fight against inflation in order to beat inflationary expectations. Business must be assured that the government does not intend to follow a stop-go policy, if investment decisions are, in fact, going to reflect the long term policies of the government. In other words, what is needed in this country today is a balanced approach. That is what has been and what is the policy of this government.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, the Parliamentary Secretary to the Minister of Finance (Mr. Evans) gave us an elementary lecture in finance, but he did not tell us that a succession of Liberal governments got us into the mess in which we are today. Canada is today in a period of economic instability; there is no doubt about that at all. Its economic performance is much below its true potential and its capability. Repeatedly, Canadians today are worried about the changes to the Canada of the future brought about by the government's patriation package and its national energy policy, inflation and lack of or changing over-all industrial and social policy, and by increasing instability in the world at large.

I want to look backwards a bit, before I look forward, to see what has happened in Canada over the last three and one-half decades since the war, because it is a period in which successive Liberal governments have generally been in power. I want to list about eight areas of considerable importance in the growth of Canadian society, and then look at some of the problems that we have to solve as a Canadian society from here on in, in the eighties.

First of all, let me say that we have been very generous in allocating funding for education. We have educated ourselves, as a people, to one of the highest standards in the world. Our education has been broadly based, with a wide, non-constricting and non-dogmatic perspective. It was moderately permissive and generally directed toward material rather than spiritual ascension. It followed predominantly, though not totally, the American mould. However, we have built into our social and economic structure an enormous technological and productive potential which we are really not using to its full capacity at all.

Second, we apply technology extensively. I speak as a person coming from the technological field. However, most of it was imported from the United States of America, through the media of the multinational corporations, though we have excelled in a few areas, but not very many, like nuclear energy. One of the most remarkable things is that an engineer or a technologist in Canada could simply pick up a phone and call someone in the United States for advice, for a solution or a piece of equipment. No other country in the world has the access to the technological might of the United States that we have in Canada. I have some concern that recently we have been acting as a government in moving toward cutting off this lifeline of Canadian progress, or throttling it to some degree.

We have extensively used the multinational corporations and their access to American developed technology. These corporations became dominant in owning our resources and our industrial wealth. As a nation, we became an intermediate manufacturing and exporting nation with declining competitiveness in world markets. Indeed, our competitiveness today is cause for considerable concern.

Third, economically and on an over-all basis, we have had phenomenal growth of our national economy, primarily based on the harvesting and selling of our vast resources by the multinational corporations. The Canadian economy grew by approximately four times in constant dollars during the last three and one-half decades. Our population only grew by about 75 per cent. Therefore, we became rich as a nation, though other nations surpassed us extensively in terms of productivity. We built in Canada a physical plant system of unprecedented inefficiency, and only now are we realizing it as world energy costs are skyrocketing. Our own economy is agonizing with high inflation and low productivity.

Fourth, economically and socially the nation experienced an intense preoccupation with security against almost every eventuality: sickness, unemployment, old age, catastrophe, business bankruptcy, etc., mostly backed or sponsored by government action. We built a humane society based on government redistribution of wealth. Our system adopted tenure as a right rather than a privilege tempered with responsibility. We provided undisputed tenure to our civil servants, professors, teachers, professions, and thereby generated an increasing demand for tenure without productivity requirements in all of organized labour.

With increasing tenure, productivity waned. We became lazy, and the pride of doing was replaced with the enjoyment of loafing. Elaborate procedures and refined specialization became a substitute for performance. We demanded more and more from our governments, and governments acquiesced to the public demand.

Fifth, we became preoccupied with enjoying all the material goods of life at an increasingly younger and younger age. Homes and suites and cars and goods of all sorts were demanded and extensively promoted for the young. In providing all these goods, we established a vast credit system to give us what we wanted now, and increasingly mortgaged our future because we bought most of it on debt. Mass advertising created the appetite. Credit provided the means. Mass production and technology and imports provided the goods and lowered prices. We spoiled ourselves, and obsolescence, redundancy, style, throw-away and fraud prevailed. Our appetite increased and our frugalness decreased, and we damned the future and lived for the present. We continued to demand more and more from governments.

Sixth, yes, we demanded more and more from our governments, and our governments grew dramatically and involved themselves in every facet of our lives. Governments at the three levels grew without attention to political ideology or rationality or prudence. Politically, we dashed madly toward *de facto* socialism, with the three levels of government this year expected to tax some 43 per cent to 45 per cent of the gross national product of Canada and redistribute it. Governments have engaged themselves massively in wealth redistribution at rates which exceed the nation's ability for wealth production. Our appetite as government is so voracious that massive debt formation has overwhelmed us. I expect that the deficit of the federal government alone will be in the order of $15 billion this year. In the past, as debt rose we printed more money and in doing so institutionalized inflation rates in double digit figures. Of course, we have high inflation. As governments we have caused it with uncontrolled spending and lack of productivity over these last several decades, but particularly over the last four or five years.

● (1450)

What is inflation, Mr. Speaker? It is a reminder of the reality that we are living beyond our means; that we are getting poorer and must increase our productivity and competitiveness as a nation. Instead, we borrow more, print more money and delay the final reconciliation with fiscal prudence. But we all know that we cannot escape. Finally the government has found some backbone and now says we cannot escape; we have high inflation and we have to live with it. That realization is amazing after all these years. The unfortunate thing is that in the period of readjustment it is the poor and the needy, the weak and the old who suffer most. The time for readjustment is here. It is the poor and the needy, the weak and the old and the small businessman who are going to suffer most.

Politically our nation has evolved peacefully. Partisan politics has become ideologically blurred with all parties moving significantly for greater socialization and greater government involvement in the economy. Provincial governments have grown and gained significantly in posture and prominence over the national government in the last several years.

For a while, the world around us grew in stability but it is now beginning to come apart at the seams. Political, social and economic instability is increasing. World-wide inflation is causing a severe form of economic dislocation. Economic issues, resulting primarily from nationalistic protectiveness and resource pricing policies, are now foremost in the minds of world leaders. The risk is that the operation of the international economy may spin out of control and present a more grave

threat to world order today than even the nuclear arms race or the struggle between differing political ideologies. The high rate of inflation is testing democracy itself as it has not been tested for the last several decades.

That, in a nutshell, Mr. Speaker, is the situation, both internally and externally, that is facing Canada in the eighties! Have we built a strong financial and economic house? I think we have built a house upon shifting sand. We have many adjustments to make and many difficult problems to overcome in the eighties. I should like to set forth some of them.

First, can we revise our economy and re-establish private enterprise as our motivating force for accelerated wealth production or, at the very least, can we find a workable and productive partnership between the private and public sectors? It is going to be difficult. The former Progressive Conservative government, which was in power for only nine months, attempted a beginning in this area.

Second, can we contain the voracious appetites of governments and restrain their growth rates by re-establishing the community, the home and the family unit as the prime motivator, caretaker and babysitter of the social dislocations of our society, instead of turning over those problems increasingly for governments to solve? We must make a start in this direction at the earliest opportunity.

Third, can we in the organized workplace rediscipline ourselves to increase productivity and innovation and the deployment of new technology to improve our competitiveness in the national and international marketplace? We have an example of this today in the Post Office dispute and the impending strike. This was our intent and policy as a Progressive Conservative government during the nine months we were in power. What initiatives has the present government evolved? What direction is evident in its policies for dealing with labour-management relations and the resulting low productivity?

Fourth, can we control inflation and its ravaging effects upon the less fortunate? To a large degree I accept that the present administration is a victim of American dictation and follows the U.S. interest rate structure like a child. It has literally no other option. It has not built in any options within the last decade, although it could have. There is no nation that has the potential for building economic options that we in Canada have with our vast resource potential and our resources going out of the country as raw material. The capacity to upgrade our own resources is immeasurable and would increase wealth in the country, but we need definitive and honest and difficult federal policies put in place.

Fifth, can we meet the challenge of energy self-sufficiency in all forms of energy use, and in particular, will we be able to meet the world food crisis resulting from environmental, climatic and population growth patterns? The next five to ten years will be critical in regard to world instability, and perhaps the North-South conference in two weeks' time is an omen of the critical conditions developing in the world.

Sixth, will we be able able to cope with the inherent economic and social restratification needed to cope with an increasingly aging population? We must examine seriously our pensions systems and anchor them to a more solid financial foundation than that which exists today.

Seventh, will we be reaching for greater brotherhood rather than increasing isolation in our urban conglomerates as we move toward a new century of civilization? Will equalization serve us well in the future so that Canadians everywhere in this vast country can enjoy a standard of living second to none in the world? Because we have the capacity.

Eighth, can we meet the challenge of constitutional patriation and redefinition and renewal to truly represent all regions in a national institution in the eighties? I think we can, Mr. Speaker.

In particular, we must permit those areas of our nation which have enormous capacity for growth, like the west, to grow without undue throttling. We must immediately undertake incentive policies to upgrade our resources before they enter international trade. What is needed is boldness, courage, openness, analysis and action. The parliamentary secretary mentioned balanced economic policy and the Minister of Finance (Mr. MacEachen) repeatedly referred to gradualism. If there ever was a time for boldness and courage and substance and analysis and action, it is now. Timidity, trying to help everyone at the same time, or gradualism is hardly a policy that will build a viable, progressive, dynamic economic and industrial sector in this nation in the next decade.

● (1500)

In conclusion, let me read the resolution we are discussing:

> That this House condemns the Government for failing to bring before Parliament effective economic policies to deal with the present economic crisis and end the disastrous interest rate squeeze on the small business, industrial and agricultural sectors.

Of course we have a crisis in the nation. There are two kinds of crises. One might be likened to the idea of an egg falling off a ten-foot high fence and smashing to bits. The other crisis is a snowball rolling—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. I am sorry to interrupt the hon. member, but his time has expired. However, he may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[*English*]

Mr. Yurko: The second type of crisis is the one which can be likened to a snowball rolling downhill which gathers momentum and grows larger and larger with greater and greater force. I suggest that if we do not move fairly soon as governments in the nation in this area of strengthening the economy, we will have a second order crisis in our economy five or ten years from today.

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, the hon. member for Edmonton East (Mr. Yurko) in his closing remarks drew the attention of the House to the wording in a close reading of the motion before the House which gives me an opportunity to begin my contribution to the debate today. I draw the hon. member's recollection to this time last year when the first piece of legislation with which I had the honour to be associated in this House was an act to increase grants for assistance to municipalities. This legislation, hon. members will recall, increased the amount of money transferred by the federal government to municipalities in lieu of taxes.

It is an obligation of the federal government to pay for municipal services afforded to federal properties located in areas right across the country. It was a distinct pleasure, because of my past experience with municipalities, to be able to say that the federal government was providing $25 million extra which would be, I am sure, an advantage to those municipalities when it came time for them to look at the way they were carrying out their responsibilities and when it came time for them to strike their tax bills. In turn, that would have a direct impact on the ability of home owners, small businessmen and industrialists right across Canada to pay municipal taxes.

The hon. member has indicated he faults the government for taking action to assist in the economy of this country—I give that example to counter specifically those clauses of the resolution before the House this afternoon. It is not necessary, thank heaven, for the Government of Canada, in all of the things it does to address the economy, to come before the House with specific legislation, word, period, comma, semi-colon, in order to address the community at large. I say thank heaven for that. Quite frankly, as a new member of this House, again with my background in municipal politics, I was appalled that it took this House two months to debate an amendment to a constitutional resolution. This was an amendment put by the party opposite which now complains that this government has not brought legislation into this House for action to address the economy. How could we have done so when we were held up for a full two months on one resolution? You are aware, Mr. Speaker, of the acrimony that was introduced in this House. Yet, at the same time, the opposition complained about the government not taking action. The opposition can hardly complain that we are taking no action when in essence the opposition hijacked Parliament, which is a forum for addressing these problems.

Mr. Knowles: What have you done since then?

Mr. Cosgrove: The hon. member for Winnipeg North Centre (Mr. Knowles) invites me to go to the next part of my speech. What have we done since then?

I was privileged to attend a meeting with the Minister of Finance (Mr. MacEachen), the Minister of State for Finance (Mr. Bussières) with representatives of the Trust Companies Association of Canada yesterday afternoon. We took that step to meet with representatives of the private sector who have a large segment of their portfolio directed toward assisting home owners. We met with these people because of statements made by the Leader of the New Democratic Party (Mr. Broadbent) who alleged there existed a crisis and widespread foreclosures and defaults in home ownership.

I shall cite some facts and figures which were obtained yesterday from representatives of the national trust companies holding the major portfolios for mortgages in Canada. In the case of the Royal Trust, foreclosures have reduced, not increased, from .34 per cent to .27 per cent in the year since the legislation to which I referred was introduced in this House. In that year it shows that the figures are for conventional and high ratio loans and the trend is actually downward, while there has been an increase in the amount of mortgages taken out during that period of time.

Canada Permanent Trust reports the same thing. In recent months, the situation of arrears of three months or more has actually improved. Montreal Trust reports the same thing. Montreal Trust indicates that, for example, in May, 1981, compared to May, 1980, the default rate was .35 per cent compared to .41 per cent. National Trust repeats the same experience with the figures given. Victoria and Grey reported a picture similar to the other companies. In May, 1981, the percentage of legal action commenced on borrowers was .07 per cent.

Those are the facts in the area of foreclosures and defaults, and the hardship being experienced by people. There are fewer people experiencing these difficulties, and those figures illustrate the situation up to the first of this month. Yet we still hear members opposite saying crisis. I do not know where they get figures to illustrate a desperate situation in the home owner renewal problem. I say that because facts show we do not need legislation. It has not been necessary in the year for the government to come with specific legislation in that area.

It was not necessary for we to receive instructions from the party opposite to meet, as I did, with the President of the Royal Bank of Canada on Tuesday morning of this week to get the same figures from him advising me that the crisis allegations of the members opposite are not founded on fact.

• (1510)

It was a concern for people over the differences in the interest rate this year as compared to last year, for those home owners and small businesses refinancing, and it was my concern for the difficult time these people are having that prompted me to raise this matter in Washington last week. I met with the secretary for housing for the United States, the HUD, housing and urban development, and the undersecretary for housing for the United States. I brought to their attention the difficulties being experienced by Canadians, especially those facing the roll-over problem, not to mention industry, as a result of interest rate increases.

As the member who spoke before me indicated, we have followed the world situation in terms of interest rates in order to have capital funds available to assist us in the housing industry and small business. If we did not do that, where

would the capital come from? I addressed this issue of high interest rates with the secretary responsible for housing.

I had an opportunity to speak to senators and the House of Representatives leader in Congress. I indicated to them the adverse effect the high interest rate policy of the United States is having in this country. I gave the example of the government moving to do something in order to illustrate our concern. I pointed out the impact this is having on our domestic institutions such as banks and trust companies. I encouraged them to be sensitive toward Canadians who must renew their mortgages, as well as small business faced with the same situation.

What else has the government done? That is a gratuitous question because of no interruption. We have not had to come to the House, for example, to extend the AHOP plan, a provision which provides a safety catch or safety value for those facing an increase in interest rates in order to protect those people whose shelter costs exceed 30 per cent of their earnings. Those subsidy programs have been renewed.

Just two weeks ago the government announced, with regard to the assisted rental program, the subsidy would be increased on a per unit basis from $120 to $180 per month to attempt to address the hardship of renters.

What was the reaction of the housing critic for the official opposition? He maintained that increasing that subsidy was a benefit for the landlord. That is not true. We were concerned about 120,000 families which would otherwise face the inconvenience and hardship of disclocation as a result of foreclosure. We addressed the problem by introducing a subsidy which in the long run will result in a saving to the taxpayer.

What did we get from the opposition? We got criticism for taking the very steps that the motion before us today says we have not taken. The opposition has to make up its mind. For example, the MURB provision, reintroduced by the Minister of Finance in the budget last year had been allowed to lapse by the former administration. That administration was lauded by the previous speaker for its attention to those people in need.

The one provision of our tax system which has been identified as a useful and effective way of generating housing activity in this country is the capital cost allowance for construction of multiple buildings. It lapsed under the previous government and was reintroduced by this government in the budget. That move contributed considerably to a surge in the housing industry in the first quarter of this year. The annual rate of housing starts of 125,000 in June last year bounced dramatically to a rate of over 242,000 in the first quarter of this year, a five-year high.

The action of this government in supporting the industry with that capital infusion which encouraged developers was part and parcel of the resurgence of the industry. The hon. member says that the government is not concerned about the needy when it allows interest rates to rise dramatically. It was this government which moved to increase allocations under the National Housing Act for social housing starts of 25,000 to 30,000 last year in order to assist those in the modest income levels to have access to housing. The government has an annual account of some $300 million which goes toward carrying the costs of some 400,000 existing social units. We felt it necessary to address the tight market situation in social housing, which we did, and we believe it has been a stimulant to the industry.

I will conclude with one final observation. I will contrast what this government has done with what was done in the nine-month regime of the last administration. The Matthews report recommended a withdrawal of support for all types of housing programs by the federal government. I have contrasted that with the initiatives we have taken. We have taken iniatives to work with the private sector to assist those facing hardship at this time. That is a stark contrast, one that I cannot help but make after hearing some of the comments made earlier in the debate today.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the hon. member for Ottawa Centre (Mr. Evans) has consistently, and one might say with fervour and almost with passion, supported the economic policies which this government has put in place. He justified them each time as he mentioned the cost to government of the various steps which have been taken. His most recent endeavour in this regard relates to the plea by members on this side of the House and by economists in Canada in general to extend the SBDL principle on a wider basis. He has justified the narrow and constrictive pattern in which this is exercised by saying "it will cost". That is purely and simply the Keynesian economic position, one that has been practised by this government for years. It is the negative approach to the cost of an incentive. It is not the positive approach of what the incentive would actually produce in other sectors of income for government. That is significant.

● (1520)

I think it must be recognized that as tax rates in the United States have gone down, revenues have gone up because of the stimulus to the economy. The member can treat this with scorn, as he has, but it would do him some good, his constituents some good and his small businessmen some good if he would just take a look at the other side of the coin, as some of us on this side of the House have tried consistently to do.

Government revenues do not go down in a stimulated economy, they go up. As the net gain of a stimulated economy under an extension of the SBDL principle to farmers, more small businessmen and more sectors of this economy will make the revenue of Canada not costly but incremental. I would imagine that little bit of an increase in mortgages just mentioned by the last speaker was probably more necessary to buy bread and butter than to buy new houses.

The agricultural aspect of this motion is intended to bring to the attention of the public the very critical position in which this industry now finds itself. It is no longer adequate for the minister to say repeatedly that we have the best farmers in the world and the best government in the world. The representations made to him, to the committee on agriculture and to the Minister of Finance (Mr. MacEachen), coupled with the news of the performance of other governments around the world,

certainly negate the statement that we have the best government in the world as far as agriculture is concerned, and emphasizes the crass neglect by that government and that Minister of Agriculture (Mr. Whelan) who sits on your right, Mr. Speaker.

I certainly accept the statement that we have the best farmers in the world, but they probably receive the world's lowest recognition of their needs by means of this government's fiscal and monetary policy.

The European Economic Community, for instance, has established a fund which protects virtually every aspect of agricultural production of that area of the world against catastrophic losses which we are now experiencing. If there is no market at home, subsidies will be arranged for the disposition of surpluses somewhere in the world to the detriment of world markets and also to the detriment of those countries such as Canada which have been supplying the deficiencies of the world's food supply for years and are dependent upon its income. But no mercy is exhibited by that agricultural program.

In the United States there exists a multitude of laws of protection of agriculture against unnecessary hardship. We lack those laws. Imports can be controlled, bridge financing can be arranged and U.S. government purchases of surplus production has extended a stability to the economic structure of agriculture which we do not have the privilege of enjoying. Farmers today are borrowing money at a rate of simple interest as low as 12 per cent, and many of those farmers who are in beef feeding production are getting money for 16 per cent simple interest compared to the more than 20 per cent compounded on a monthly basis.

Former international trade negotiations have neglected to recognize the importance of this industry and its requirement for international markets. At the same time, to provide markets for other items for Canada in foreign markets, we have granted more favourable access to the Canadian market for agricultural products produced here. The combination of these two shortsighted policies has contributed in a major way to the economic difficulties we are presently experiencing.

Virtually every farm organization in Canada has made representations to this government pleading for reconsideration of both our international trade policies and our financial assistance programs which are so vitally needed at this moment in time.

Canadians as a whole recognize that certain industries need special considerations at special times and, as we in this House have done, have supported the policies of import quotas for the textile industry. Why then is it impossible for this government to recognize the need of such a vital industry as agriculture and to take prompt and immediate emergent steps to provide at least bridge financing for this industry?

Among the representations which have been made are those by the Canadian Horticultural Council pleading for recognition of the inflation factor as it applies to capital gains, and the recognition of the need of tax consideration for fuels and energy conservation materials used in the greenhouse industry. In these representations they have also asked for the small business loan limit to be increased to $200,000 and for the recognition of the accumulated requirement to consider the inflationary factor, along with an updating of the values established in the Advance Payments for Crops Act. These recommendations are made in what one may consider emergent economic circumstances and they need immediate and emergent response if these sectors of agriculture are to be helped. The Canadian Federation of Agriculture has made a representation to the Agriculture Committee, and I wish to read it into the record as follows:

> Federal government failure to take immediate action to relieve the farm debt problem amounts to a scandalous lack of concern for the disruption of the lives and livelihood of growing numbers of family farmers.
>
> An emergency farm credit program, through the federal farm Credit Corporation, is required to provide special refinancing for those farmers who are going under through no fault of their own.
>
> Farmers hit hardest are hog and beef producers who are being destroyed by a combination of rising costs, low farm prices and stratospheric interest rates. Cash crop producers financing major inputs are also facing serious credit problems.
>
> This is an emergency. The Canadian Federation of Agriculture is most concerned about the increasing number of actual farm bankruptcies and foreclosures. The evidence is that there is a rising flood of farmers in trouble, and current bank interest rates are the crushing blow that will put them under. If this is not so, a federal emergency program will get at the truth and no harm done.
>
> Farmers in this position who now have nowhere to go for help must have some program which will give them a chance for survival. Failure by the federal government to act and act quickly on this matter would be quite simply, irresponsible.
>
> The federal government has the capability of launching an emergency program nearly overnight, at very little cost to the taxpayer.

Please note I am not suggesting the expenditure of money, but rather bridge financing. The brief continues:

> 1. It has a fully developed, trained administration in the Farm Credit Corporation for doing the job.
>
> 2. It has the capability of providing funds at more moderate and/or deferred interest rates in cases of special need.
>
> 3. Surely it can get the co-operation of the banks not to foreclose on loans until the Farm Credit Corporation has a chance to review each applicant farmer's position and take necessary action.
>
> The action being requested by the CFA does not require large government expenditures and subsidy. Funds provided to the FCC for lending are not a government expenditure. They are an investment and a good one, that will be repaid. Government budgetary practice that calls them an expenditure is a misnomer, and it is important not to be misled by it.
>
> The CFA is requesting a helping hand to farmers with fundamentally sound farm enterprises who are being ruined while the FCC sits by unable to do the lending job which it can do and was created to do, because of lack of funds to lend.
>
> It is not valid to argue that the increasing bankruptcies are a result of bad management on the part of people who don't deserve help. Let's have a program that can help those that should be helped. There will be a lot of them. We challenge anyone to say it was bad management because a farmer in 1978 or 79 didn't foresee interest rates at 20%, when the banks willingly lent them the money that has now become such a disastrous burden.
>
> If the federal government does not act and act quickly on this matter it will be a black mark on its record. The CFA asks for assurance at once that the Cabinet is urgently considering this request. We believe a serious and responsible review of the matter cannot result in any other decision than to accept the action which we are proposing.

Let me quote from the *Toronto Star* of May 18. The article is so pertinent it merits reading in full, but time will not permit. It states in part:

Canada's farmers are among those who are the hardest hit victims by the Bank of Canada's deliberate policy of high interest rates to battle inflation and when farmers for whom interest rates spell disaster in today's capital intensive agriculture are pushed into bankruptcy and farm abandonment, the entire economy suffers.

That is from the *Toronto Star*. Let me quote again from the same article:

● (1530)

Hugh Moss, a cattle farmer, says, "The only way I can afford to pay 20 per cent interest is if I get over $1 per pound for beef". Right now he only gets 80 cents a pound and plans to sell off part of his farm to get the money to pay his debt... Ralph Barry, of the Ontario Federation of Agriculture, estimates for every farmer who declares bankruptcy there are at least ten others who decide to sell their land and equipment and drop out of agriculture while they still have some measure of solvency. He says that this province loses about 1,000 farmers a year. It's got to stop.

Again from the *Star*, and I quote:

If Canada allows her agricultural community to be crippled by unmanageably high interest rates not only will we not be in a position to offset world shortages of food in years to come, we will also be at the mercy of the high cost of imported groceries.

Perhaps the most pertinent part of this article is the following:

Canada has traditionally recognized the particular and irreplaceable contributions that farmers and farming make to the economy by offering agricultural enterprise relatively low interest loans through the Farm Credit Corporation.

Please note that this did not come fron any farm magazine or farm organization. This is recognition by a non-farm paper of a crisis situation which exists. Let me quote again the traditional aspect of the last excerpt of this paper. It reads:

Not only has the traditional supply of money not been available through FCC, but traditional recognition of agricultural needs through price stabilization payments has been equally abandoned.

Two traditions are gone.

Antiquated cost of production figures, for instance, in the potato industry would indicate that if a price stabilization payment were to be made—

For this commodity.

—it would be made on the basis of something less than 60 per cent of the cost of production of this commodity.

Historically and traditionally the formula would have been on a stop-loss basis, not on a 60 per cent of cost basis.

Let me quote from *The Financial Post* of May 2 in respect of fruit and vegetable production in Canada as follows:

Fruit and vegetable cash receipts amounted to $770 million last year, with 31 per cent from fruits, 26 per cent from potatoes and 43 per cent from other vegetables. This is an industry with a big and growing trade deficit, more than one billion dollars last year.

I have gone out of my way to quote non-agricultural sources to substantiate the case for agriculture, and I believe that these quotes do that adequately. When *The Financial Post* says that we have a $1 billion trade deficit in the fruit and vegetable industry—and we can produce most of those fruits and vegetables—there is something wrong with the fiscal, monetary and agricultural policy of this nation. I repeat that I have gone out of my way not to quote farm papers for this purpose.

On May 19 the Minister of Agriculture was interviewed on CBC. His principal theme was that the banks should do more. Apparently the banks have lent approximately $16 billion or maybe $18 billion to farmers, but the Government of Canada is not prepared to put even a part of a billion dollars at the disposal of the Farm Credit Corporation as an advance for bridge financing for agriculture.

The minister gave some economic history of his own and discussed the possibility of his making representations to the government for a better deal for agriculture, but as usual he could not be pinned down in this interview to an adamant statement of his own that he would in fact make demands of the government as the Minister of Agriculture. He just gave his usual evasive gobbledygook support to the government and was unwilling to take a positive stand on behalf of the industry he represents.

The time for ministerial reflections upon the great history of agriculture is now past. The time to consider what steps the government can and must take to extend financial assistance to this industry is now. Is it not as important as Chrysler and Ford? This does not imply criticism of aid to those companies. I merely wish to emphasize the neglect on the part of the Minister of Agriculture of the industry he so halfheartedly represents.

Representations have been made by every agricultural organization in Atlantic Canada pleading for a recognition of their plight. If the Minister of Finance and this government in general do not recognize disaster when they see it eyeball to eyeball, and if the Minister of Agriculture is not prepared to put his portfolio on the line, not only will the 76 per cent increase in farm bankruptcies grow larger but the total economy of Canada will also suffer.

If the government is not interested in farmers, it should be interested in the total economy of Canada and the impact on that economy of a declining agricultural industry.

Recently there has been criticism of the repetitive nature of speeches in the House of Commons. The previous speaker made a criticism regarding the time consumed in debate in this House. When we have a responsive government which recognizes ability across the floor as well as in its own hallowed and divine precincts and when there is compromise and joint planning, debates will not linger, they will not be extended, and we will be able to get on with the business of the House. But this House will not lie down in front of the introduction of regulatory legislation rather than legislative legislation. It will not lie down in front of the extension to the Minister of Finance, the Minister of Industry, Trade and Commerce (Mr. Gray) or the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and extend to them the power to control by regulation the Minister of Agriculture and the policies which he should and must introduce. The Minister of Agriculture must have freedom to function in an independent and recommending way for his industry.

I received today a letter in response to some questions I asked in the committee on April 2. It took the minister two months and three or four weeks to respond. I asked for reconsideration of the feed freight subsidy in Atlantic Canada. That has been put over for study by the Feed Board of Canada in the face of absolutely pertinent and proven documentation making a case for an increment to the feed freight subsidy presented by a host of organizations from Atlantic Canada and eastern Quebec. It is going to be studied.

Potato production in Atlantic Canada is in Prince Edward Island and New Brunswick. A storage program for potatoes will take place in Kentville, Nova Scotia. With all due respect to Nova Scotia,, which has a small potato industry, the climate is not quite the same. Results from that station will be good, but this work should be done in the potato-growing area. It should be done either at Charlottetown or Fredericton, but not Kentville.

There is a Meristem program for agriculture and the promotion of better seed potatoes in Canada. There will be a conference on that in Ste-Anne-de-la-Pocatière. The Meristem program is supposed to promote a better seed industry in Canada, but the seed industry is not in Ste-Anne-de-la-Pocatière. The export seed industry for which this is designed—as well as for improvement in quality—is in Atlantic Canada, but the conference will be in Ste-Anne-de-la-Pocatière. If the west does not just raise hell, no doubt we will soon be looking after rapeseed in St. John's, Newfoundland. That would be as logical as the answers I received.

Let me go one step further. The minister closes his letter by saying, "The program is in place". He was referring to several, one of which is the storage subsidy program for perishable products. Yes, the program is in place, but it is just like the subsidy program for the fishing industry. No money was put into it. The minister exhorts farmers to use a program for which he does not see fit to get any money.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. I am sorry to interrupt the hon. member, but his time has expired. However, he might continue if he had the unanimous consent.

Some hon. Members: Yes.

The Acting Speaker (Mr. Ethier): Agreed.

[*English*]

Mr. McCain: Mr. Speaker, I will try to be very brief in my conclusion. I want to talk about the general economic climate which has been created by this government through its fiscal and monetary approach. I have here a list of 18 companies—I obviously do not have time to read it—which have been inspired to invest their money abroad. These are but 18 reported in the last ten days. The business of these companies ranges from real estate to oil and represents billions of dollars.

● (1540)

I want to say to you that as we have had a single approach to the economy and the value of our dollar, we have neglected the international position of fishing, farming, forestry and oil. The result is that the markets for these basic products of Canada except oil have declined in virtually every viable market except the United States. They have declined 24 per cent with respect to Britain because the pound is worth so much more; 21 per cent with respect to Germany; 10 per cent for Japan and some 21 per cent for Sweden.

Now, fishing, farming and forestry products from Atlantic Canada are dependant upon those markets and the U.S. market to survive. They are getting from 10 to 24 per cent less of those markets because we have not kept an eye on the currency of countries to which we export. As a result, Atlantic Canada's primary industries are suffering. The U.S. economy, of course, on which we have based ours does not offer the usual market because it is stymied, as is ours. Let us get away from the Keynesian approach. I appeal to the government to do that. Let us get back to a stimulative approach. It will not cost you, it will make you money.

Mr. Evans: You are 180 degrees out of synch.

Mr. McCain: You, sir, are still in the Keynesian economic bible and you have no intention of getting away from it. Let us look at the reality of inflation today.

Mr. Evans: You do not know what you are talking about.

Mr. McCain: Let us cut back expenditures and deficits. Let us realize what we can do to give incentive to industry for a better future. Let us not look to stagnation and regulating industry out of business as the Keynesian hon. member for Ottawa Centre (Mr. Evans) would do.

Mr. Baker (Nepean-Carleton): You have been uncovered at last.

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Mr. Speaker, thank you for recognizing me in this debate. Once again our friends opposite are talking about the disastrous interest rate squeeze on the small business and industrial sectors. The hon. member who had the floor just before me spoke of economic incentives and urged the government to go ahead with policies of exaggerated expenditures at a time when inflation is the most difficult problem to cope with. However, speaking more specifically of economic incentives to which the hon. member referred, in all likelihood he does not have time to read the newspapers or else he does not understand what he reads, Mr. Speaker. I read in the *Financial Times* of June 22, 1981 an article entitled "Government Aid to Business Now Tops $6 Billion a Year".

In that article the *Financial Times* lists a series of programs in the fields of financing, loan guarantees, labour training assistance, investment tax credits, research and development

tax credits, as well as all the special programs we have implemented since we returned to office, Mr. Speaker, precisely to spur the economy and the industry.

Hon. Members of the opposition have such a limited understanding of the economy that every day they ask us: Where is your industrial strategy? Where is your economic development strategy? We would have to label each decision we take and say: You on the other side, wake up, because that is part of the industrial strategy. They keep forgetting certain achievements such as for instance the fact that as recently as last week we announced a strategy for the textile and clothing sector under which $250 million will be earmarked for the restructuration of businesses and for assistance to employees who might have to relocate as a result of our import policies. They also fail to mention that we have launched our $350 million industrial restructuring program which the Minister of Finance (Mr. MacEachen) had announced in his budget last October. They fail to mention our assistance program for the micro-electronic industry, another $50 million. As recently as this morning I was in Sherbrooke to announce that the local university would become one of the six leading electronic technology centres in Canada. A similar announcement was made in Vancouver, Edmonton, Winnipeg, Toronto and, as I just said, Sherbrooke, and within a few weeks we will be announcing another leading electronic centre in the Maritime provinces.

And then we have a bigger budget to promote productivity in defence materials. We also have the new policy in the field of exports where my colleague the Minister of State for Commerce (Mr. Lumley) has drastically increased the budget to boost export products and set up the mixed credits program. All this is part of an industrial strategy of major government investments. The *Financial Times* quotes a figure of $6 billion. I will not quote the government press release because my colleagues opposite will say that I am trying to mislead them, that is why I refer to a serious paper like the *Financial Times*, and I would suggest that hon. members read a little more economic publications in order to understand what goes on in that area.

Of course, some have again argued that high interest rates are the only cause of bankruptcies in the small business sector, and I would refer them once again to the *Financial Times*, because members across do not readily accept what we say. So I would refer them to an article published in the *Financial Times* of June 22, 1981, and I quote, Mr. Speaker: "Don't blame high rates for bankruptcies".

[*English*]

Dun & Bradstreet Canada Limited statistics of May 29, 1981, indicate that business failures are up 17 per cent over 1980. We all agree with this figure, Mr. Speaker, but in the same publication Dun & Bradstreet reveals there is no concrete information to indicate specifically that high interest costs are causing small business to fail. The same study adds that 97.6 per cent of the 1980 business failures were due to bad management.

[*Translation*]

So enough of this witch-hunt, of trying to prove that high interest rates are the cause of ever-increasing small business bankruptcies. These bankruptcies are tragic, of course, and it is harmful to the economy as a whole when companies are forced out of business, however we tend to forget that even though the bankruptcy rate was 17 per cent in 1980, the rate of increase or of creation of new small businesses was 20 per cent, Mr. Speaker. So we should take a closer look at what higher interest rates mean for small business.

Let us suppose, Mr. Speaker, that you are a small businessman and that your working capital or your line of credit at the bank is $100,000, and you know as well as I do that over 80 per cent of small businesses in Canada have working capitals and lines of credit under that amount. But let us take 100,000, it is an easy figure to work with, and let us say that last year or two years ago your working capital was costing you 12 per cent, now in 1981 it is costing you 22 per cent. Over a period of one year, that represents an additional charge of $10,000, but one has to consider the entire financial picture of a company before saying that interest rates are the one and only cause of bankruptcy. One has to remember that there have also been increases in the cost of electricity, oil, gas, telephone and rent, as well as in municipal and provincial taxes. So if one reviews these financial statements, Mr. Speaker, one realizes that the issue of increased interest rates is a relative one. There are several alternatives to deal with this additional charge of $10,000: cut the personal expenses of the owner, cut back on the inventory, review the hiring policy, and there are countless other ways that can be used in a fiscal year to allow a business to cut its costs by $10,000 in order to meet this increased charge.

We are being told that the government does not want to stimulate the economy. It is obvious, when we look at the figures, that the argument about the $6 billion per year injected in the Canadian economy is not valid. When they say that interest rates are the only reason why small businesses go bankrupt, I say that those people know nothing about small businesses or the balance sheet of a Canadian business. And when they say that the government has no strategy, no master plan, I say that those people are blind. As I said earlier, we will have to stick a label or ring a bell each time we take a decision and tell them "Wake up, this is part of the economic strategy of the government, we are putting forward programs to assist the Canadian economy".

• (1550)

I have commented some of them, but there are many others. A few weeks ago, my colleague, the Minister of Supply and Services (Mr. Blais), announced the Suppliers' Development Fund. With him, I helped organize throughout Canada the

exhibitions called Contact 81 through which we tried to put the government's major customers in contact with the smallest suppliers in each region, whether Vancouver, Calgary, Winnipeg, Toronto, Halifax or Montreal, so that major Canadian companies can find an increasing number of sub-contractors among Canadian suppliers.

During these nation-wide exhibitions, Mr. Speaker, we were able to identify 2,500 additional sub-contractors who will be able to market new products which we now have to import and some of whom will be able to benefit from the Suppliers' Development Fund to develop in Canada new products to replace imports. But my colleague, the Minister of Supply and Services, went even further. Ten months ago, last August, Mr, Speaker, I had the honour to announce in co-operation with his department our sub-contract program. Under this program, we decided as a government to use our purchasing power to improve the small business sector, make it even more active and give it more opportunities.

Under this purchasing policy, we indicated in 1980 that 39 per cent of all purchases would be from small businesses, which represents about $900 million. With the approval of the government, my colleague and myself decided that our target would be 45 per cent of all government purchases, and we want to spend through our purchasing policy $1.4 billion a year, which will be directly injected into the Canadian economy to help small businesses.

We are told that we have done nothing concerning interest rates. I would like to speak about another program which has had even more success than expected, namely the small business development bond program. My colleague, the Minister of Finance, announced this program in his budget, and my colleague, the Minister of State (Finance) (Mr. Bussières), accepted my amendment to provide an extension of these bonds.

We now expect that, thanks to this government policy and under this program, banks and financial institutions in Canada will provide loans to small businesses wanting to purchase new equipment, expand their business, purchase land or expand their premices at a rate of about 10 or 11 per cent, or 50 per cent of the current business rate, and in this way inject $2 billion in the economy. I am not making up this figure. It was the figure quoted by the President of the Canadian Banking Association, a figure which we get when we add all the amounts that chartered banks and financial institutions allocate to the small business development bond. Two billion dollars, Mr. Speaker! The members opposite might think this is insignificant!

For my part, I believe that it is an absolutely fantastic amount which will enable the small business sector in Canada to continue to grow, to create employment, to develop new technologies and to make the Canadian economy healthy, because as everyone knows, and the government best of all, the small business sector is the most dynamic in Canada and was responsible for 62 per cent of all new employment created in Canada in 1980 and is responsible annually for 40 per cent of all employment.

Yes, Mr. Speaker, we want to help this sector and this is why we have decided first of all to implement all these programs, such as the Suppliers' Development Fund and the Microelectronics Assistance Program, through which small businesses can obtain 100 per cent financing from the government for feasibility studies to determine whether electronics can be used in their business and can obtain subsidies of 75 per cent for the installation of electronic material and manpower training.

In addition to those programs and the obligation we have to promote the expansion of small businesses, the goal of our whole purchasing policy is to pour into the economy huge amounts of money to help, protect and develop this sector in which we believe.

Mr. Speaker, several indicators would lead us to believe that the policies we have initiated are working and helping small businesses. Before rising in the House, I was looking over that part of my annual report dealing with the Small Businesses Loans Act. In 1980, $400 million in loans were granted to small Canadian businesses involved in various activities, which is an increase of 72 per cent over 1979. And when we consider the figures for the first quarter of 1981, we realize that they represent an increase in value of 58.6 per cent over the corresponding period in 1980.

As far as the Federal Business Development Bank is concerned, over 40,000 small businesses in Canada are being assisted under various loans programs. In fact, over 40,000 businesses in this country are taking part in the Federal Business Development Bank's Counselling Assistance to Small Enterprises program; I could mention also the 50 per cent investment tax credit which was announced in his budget speech by my colleague the Minister of Finance, jointly with his colleague the Minister of Regional Economic Expansion (Mr. De Bané) for the benefit of the less-developed areas of our country. This 50 per cent provision means that if you decide overnight to go to the Gaspé area, the Maritimes, northern Quebec or northern Ontario and to invest $100,000 to set up a small business and create jobs, you will get $50,000 back from the government. That is the way to stimulate the economy and develop this very important sector.

The opposition is complaining that interest rates are suffocating small businesses. It is a fact that we are going through difficult times, Mr. Speaker, but we have put in action the necessary mechanisms to alleviate this problem and help this section develop. Everyone knows as well as I do that today is an opposition day—

Mr. Pinard: What opposition?

Mr. Lapointe (Charlevoix): —the Tory opposition who introduced a motion, according to them, of basic importance to the very future of this country. Too bad, Mr. Speaker, the television cameras cannot focus on their benches. Only one of my colleagues and friends is sitting there to represent my Progressive Conservative friends, Mr. Speaker. That just shows how interested they are in the Canadian economy. I approve the decisions and the directions taken in matters economic by the Minister of Finance when he tells us: I do not want to stifle the Canadian economy by making cutbacks that would hinder economic expansion. But, on the other hand, in view of the current inflation, I simply must cut spending to some extent. To my mind, the Minister of Finance advocates and follows, as well as the government, a policy of common sense through this inflation period. Let us not delude ourselves, Mr. Speaker, current interest rates are not a threat to our economic health, but inflation is. We must apply all our wits, all our tools and resources, all our economic levers to fight against the curse that afflicts not only the farmers, homeowners, individuals, small and big businesses, but absolutely everyone.

It is essential, in implementing the policy put forward by the Minister of Finance, that we pursue it in order to succeed in reducing interest rates and thus allow all sectors of our Canadian economy to thrive and all Canadians to enjoy an improved social and economic life. In my view, the motion put forward by the members of the Progressive Conservative party is practically meaningless and of no interest to those members, judging from the empty seats. And that motion disregards the facts as well as the major economic efforts of this government and our sensible policy.

● (1600)

[*English*]

Mr. John Gamble (York North): Mr. Speaker, I am delighted to have an opportunity to address this House on the important motion placed before it with respect to the condemnation which we should have of the government for its inability to deal with the economic policies described in the motion and, in particular, with its inability to deal with the high usurious interest rates prevailing in Canada today. We very clearly recognize, and even hon. members from the government side, do so that those rate are excessive in terms of what they ought to in Canada. They have been officially established by the Bank of Canada, encouraged, promoted and prompted by direct government intervention and action. We can recall the days when we did not have the fixing of these rates by a Thursday auction of government bills, and when the government itself took the responsibility. Now the government does it in an indirect manner by instructing the Governor of the Bank of Canada as to what he should do. On Thursday of every week, we wait with bated breath to determine the interest rate which Canadian home owners will ultimately be paying, Canadian businesses will be paying, and Canadian consumers will be paying for the money that they borrow. Today, we have an effective rate, as established by the Bank of Canada, at 19.08 per cent. That rate translates into an effective rate of between 22 per cent and 23 per cent for consumers who are fortunate enough to borrow their funds from conventional sources, and a similar rate for small businesses in Canada, and an effective rate of between 18 per cent and 19 per cent for those who are renewing mortgages or acquiring new mortgages for their homes.

The Minister of State for Small Businesses and Tourism (Mr. Lapointe) has commenced upon the fact that insolvencies and bankruptcies which have occurred in the small business community have, in large measure, been due to a number of causes and ought not to be directly attributable to the high cost of money. His suggestions are very interesting. He suggests that if one is, indeed, in the position of a small businessman who finds that on a $100,000 loan, to which he makes reference, interest has increased over $10,000 in a period of a year, what one should do is to cut down one's staff. He suggests that we lay off some people. A moment later he gets into an explanation as to how, if one wants to establish a small business in Quebec, or Gaspé or northern Ontario—

Mr. Lapointe (Charlevoix): I did not say that at all.

Mr. Gamble: —that one can get a government loan to hire more people. I wish he would make up his mind. Does he want small businessmen to lay off employees, or does he want them to hire more? The fact of the matter is that in our country we rely, in large measure, for employment to be provided by the small business community in Canada.

[*Translation*]

Mr. Lapointe (Charlevoix): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The Minister of State for Small Businesses and Tourism on a point of order.

Mr. Lapointe (Charlevoix): Mr. Speaker, I am sorry to interrupt the hon. member. I am not in the habit of doing so. Admittedly he listened patiently to my comments, but I would like to respectfully ask him not to try and mislead the House. At no time did I suggest that small businesses are laying off employees.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for York North has the floor.

[*English*]

Mr. Gamble: It is regrettable that the minister cannot weigh his words appropriately so that they come out the same, both when he is talking about the cutting of employment and when he is talking about increasing employment. That is a common failing of the members of the government. I can well understand how he is led into that trap.

The simple fact of the matter is that this nation cannot survive on interest rates which are consistently and permanently in excess of 20 per cent. Rates of that nature will have the

direct effect of sucking the lifeblood out of the entire economy. It is the responsibility of the government to do something about it. Today in the House, the Minister of Finance (Mr. MacEachen), in answer to one of my questions, relied upon the fact that the major enemy of government is inflation and inflationary expectations. I know the government relies on that fact. The minister said, upon return from a meeting of the OECD in Paris, France, that the object of the government is to break inflationary expectations. Those comments with respect to inflation and the need to combat it have been referred to by the hon. Minister of State for Small Businesses and Tourism and the Parliamentary Secretary to the Minister of Finance (Mr. Evans).

However, the question is, has the government in fact taken the necessary steps to achieve its laudatory goal? The answer to that question is that very clearly it has not. This morning in the House I asked the Minister of Finance how he equated that objective with a bill which was passed by this House on Monday, Bill C-57, dealing with an amendment to the Excise Tax Act and the Excise Act which included a provision therein for the fixing of tax on an *ad valorem* basis. I pointed out that in fixing that tax in that fashion, it was obvious to anyone who is aware of that bill and the changes to be brought about as a result of its passage, that the government, ever mindful of its need to grab more and more taxes from Canadians, expected that the price of the commodities subject to that tax would increase. The government, by its own legislation, has told the public in Canada that it expects the price of certain commodities to go up. How does it therefore equate its objective to break inflationary expectations when its own actions have indicated to the public that it believes that price in Canada will increase? Accordingly, it has encouraged the public to believe the very thing that it suggests it wants them not to believe. Not only has the government done that, but it has also taken more funds from the public and will continue to do so under this piece of legislation. Therefore, it has fuelled inflation itself.

Doubtless people are motivated by a desire to place in their own pockets, for their own purposes, and in the pockets of their families for their families' purposes, additional revenue. For that reason, Canadians have generally adhered to a work ethic in Canada. They believe that if one works harder and works longer, one will make more and keep more. In the event that the government tells them that it will cost them more to live because the government is taking more of what they earn, they will, indeed, want to earn more. That is a logical conclusion which the government, had it any wit at all, would recognize.

The more the government takes, the more the public will demand for both the services and goods produced by the public. That is fuelling the inflationary expectations and fuelling inflation itself. Yet the government sits back, and the Minister of State for Small Businesses and Tourism suggests that it is appropriate to reduce one's staff or, indeed, maybe move one's plant to some other area in the country. The fact of the matter is that the public in Canada, small businessmen, farmers and fishermen, know best what to do with their funds. It is no answer for the government to invoke program after program directing the economy in a particular course. Businessmen in Canada know best what to do with their revenues. Businessmen will be better served if the government reduces taxes and establishes an economic climate in which they can flourish. Home owners are better served if their after tax revenues are higher so that they can look after their own needs. The public in Canada is not asking for a handout. They are asking for a hand off. And the hand off which they seek is the heavy hand of the Government of Canada.

• (1610)

These are the primary issues with which we should be concerned. Now I know that the Minister of Finance has indicated in this House that our real growth, after allowing for inflation, may well, on an annual basis, be in the neighbourhood of 4 per cent this year. He examines that annual growth and says that we do not have an economic crisis in this country. We can see that our unemployment rate is at a level which is lower than that to which we have become accustomed and that is recognized. Let us not dispute it. But that is today, Mr. Speaker. The wisdom of a government should surely be reflected in its determination to take steps which will affect the future of this country. I am not talking about the future in ten or 15 years, I am talking about the future around the corner, within six months when most people who have acquired homes at 18 per cent and 19 per cent interest, when those small businessmen who have expanded an operation and had to borrow money at 22 per cent or 23 per cent, recognize that after six months they cannot bear the interest charges. That is what is happening in this country. If the government does not realize it, I say it is shortsighted and should, in the words of this motion, be condemned.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Gamble: We have heard the statistics. The Minister of Public Works (Mr. Cosgrove) read off some statistics which had been provided to him by various lending institutions. Those statistics referred to foreclosures on personal residences. The Minister of Public Works, before he came to this House, practised law. If he were to consult with people who are his former partners, he might well ask them to give him the figures for judicial sales of property or writs of possession. If he would add them all up, he would find the real measure of hardship among Canadian home owners because there has been a recent development furthered by the actions of the lending institutions, not to foreclose but, rather, to have judicial sales of property, even have writs possessions so that the homes may be extracted from the owner and rented, until a more appropriate time for a subsequent judicial sale may occur.

Those figures in themselves are meaningless, Mr. Speaker. He might also like to confer with his colleague in the House who is complaining about the fact that there were not very many Conservatives in the House when he was speaking and who has now left. He suggested that the small business com-

munity was not in as bad a position as it might be, and in fact some of their financial ills might have resulted from an increase in hydro charges and real property taxes or business taxes on their establishments. The fact of the matter is he might well consult with him and determine what number of those small businesses have not been put into bankruptcy, and of course there are a large number who have, but who have been forced into voluntary liquidation. Some small businesses recognize that it is better to sell out now at whatever price than to lose everything by holding on another few months. In other words, these are the very people who foresee the path set for them by present government policies. But there is nothing said of that and there is relatively little concern shown for them.

Government action today, Mr. Speaker, is destroying the foundation upon which this nation has been built. It has been built upon the concept of hard work and prudence which would result, after a reasonable length of time, in individuals acquiring their own homes. It has been built upon time, hard work and the enterprise of individuals who wish to transform small businesses into large businesses in Canada, thereby not only offering the employment that the Minister of State for Small Businesses and Tourism would like them to reduce, but at the same time building the nation. Policies which have been advocated by this government, that is to say, policies of shifting tax money, allocating funds to projects which the government thinks are important, have no regard for what the public thinks is important and what small businessmen and home owners think is important. Those are the issues which have prompted them to work and strive to achieve their goals.

This government has been the most know-nothing, say-nothing and do-nothing government this country has witnessed in a long time. Since it has taken office, inflation has spread and increased despite the fact that it has itself recognized that inflation is the chief enemy.

The government looks with some pride at the fact that perhaps the GNP may be increasing somewhat this year. But it does not pay heed to the hardship and the heartbreak that a lot of people must suffer. What action has the government taken since October 28 to curb the insatiable appetite for funding which it extracts from the public? It is true that inflation is indeed the core source for high interest rates in this country. But who is responsible for inflation? Is it the man who is working on the production line at General Motors? Is it the farmer who is selling his products and is obliged to sell at whatever he can obtain? Is it the fishermen, or the small businessmen?

The prime source of inflation, Mr. Speaker, is the government itself, and there are two ways in which this regrettable circumstance occurs. It is either as a result of the increase in the money supply or the extraction of more and more funds from individuals and businessmen in Canada, or both. In the first case, while this government and its predecessor Liberal administration were in office, we had circumstances where the increase in the money supply on an annual basis exceeded 14 per cent per year.

How can increases of that nature ever retard inflationary growth? The answer is that it cannot. Today, I give the government credit to some extent for the fact that through the Bank of Canada, it has reduced the increase in the money supply to something in the neighbourhood of 6 per cent. Mind you, that is still above even the projected growth in the GNP, but it is a marked improvement over the historical use of money supply by this government in the past to feed inflation in this country.

What about the second element of the true growth of inflation? I do not have the statistics for today, but the last ones I saw showed the federal government extracted 43 per cent of the total GNP. In the United States, the federal government there extracted 31 per cent over the same period of time.

I know the response of the Minister of Finance is, "Don't you understand that we take some of those funds and we distribute them among provincial governments?" If the federal government distributes them among provincial governments it is because of a national policy. It is no answer to say the money goes elsewhere. The money is, in fact, collected and then it is disbursed in a fashion which the federal government desires. It is its responsibility to account for its constant groping for tax dollars resulting from the hard work and efforts of Canadians.

Where has all this led us? It has led us from the time the Prime Minister (Mr. Trudeau) took office to a government spending program which has grown from some $12 billion to some $66.6 billion. It has resulted in an interest element on the national debt of $12.26 billion, or almost equal to the entire budgetary estimates of the Prime Minister who is now in office, when he came to office—almost an equivalent amount is now spent paying interest on the national debt. But, Mr. Speaker, even these figures are wrong. We learned from the deputy minister of finance last week that the Canada pension fund is fully $102 billion unfunded. The plan would be insolvent if it were called upon to meet the obligations it has to Canadians who have looked upon the Canada Pension Plan as a contract between themselves and the Government of Canada.

Mr. Speaker, the $66.6 billion to which I have made reference does not include—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

● (1620)

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, it is always interesting to hear members opposite complaining about the amount of government expenditures. I have been here almost 13 years—I was not here during the 1979-1980 regime—and I have yet to hear a recommendation from members opposite about areas in which the government should be cutting its expenditures. This was very much in evidence when the official opposition formed the government. I did not see too many significant cuts but I saw significant increases in

expenditures. Fortunately this House saw fit to defeat that budget, otherwise we would have been in dire straits and possibly in the economic crisis which the opposition alleges is taking place today.

In my position as Chairman of the Standing Committee on Finance, Trade and Economic Affairs, I would be remiss if I did not publicly compliment the hon. member for Ottawa Centre (Mr. Evans), who is the Parliamentary Secretary to the Minister of Finance (Mr. MacEachen) and the Minister of State for Finance (Mr. Bussières). In a short period we have had the Bank Act, which is a massive piece of legislation, and Bill C-57 before the finance committee. Whatever your views were on either one of those pieces of legislation, Mr. Speaker, they called for a great deal of homework, study and understanding. The parliamentary secretary made a point of briefing himself so that he could intelligently cope with the matter as a member of that committee, but he has been given the significant tribute today of handling this debate on behalf of the government in a motion raised by the opposition. I compliment him for the work he has performed.

We hear about an economic crisis. I do not think the people who raise that kind of issue have talked to the people at FIRA. The Foreign Investment Review Agency has never received more applications, or had more people from outside of this country endeavouring to invest in Canada because they realize it is an excellent place to invest. We can keep our interest rates below those of the United States because we are a country where people are not afraid to invest their money. As a matter of fact, every day people are seeking ways to buy, to invest or to start up new industries.

Mr. Gamble: Sell out the whole country.

Mr. Cullen: The economy could not be in crisis if that were the situation. I hear hon. members opposite saying "tell that to the farmers" or "tell that to the small businessman". Anyone who talks about the economy being in crisis is really doing a disservice to the small businessman and to the farmer. It is as though we were going to hell in a hand basket, if you listen to members opposite.

The facts have been spelled out in statistics. Fortunately for the government and for Canada we have a very sophisticated group of Canadians who understand that all the faults and all the problems we have cannot be placed on the government's doorstep.

I agree with the hon. member who preceded me in one area, that it is to the government's credit to have cut back the monetary supply. I agree with him that earlier we had expanded the money supply and risked some inflation in the interests of keeping jobs in the economy. It was a trade-off at that time. If we had cut back on the money supply instead of increasing it, we would have faced a much more serious problem of very high unemployment, in the late 1960s and the early 1970s. The government took the conscious decision. It is all well and good to say in hindsight that it was wrong to increase the money supply at that time, but they were not prepared to face the problems that Canada would have had with hundreds of thousands more unemployed. Therefore it was a conscious, legitimate, bona fide decision in the interests of saving jobs. Had we not had the quadrupling of the oil prices, I suggest with respect, that move would have been complimented and not criticized at the present time.

I hear members opposite saying that we could solve all the problems in Canada if we could just get the energy situation, the pricing and the distribution of the money settled. But I was surprised to hear a member from Alberta suggesting the other day that we could solve all our problems immediately by going to 75 per cent of world price. First, it is irresponsible to suggest that we should tie our prices to a world price when we have seen OPEC quadruple the price of oil overnight. Who is to say that OPEC will not double it overnight at some stage? Why should we tie our price to the world price? Second, by going overnight to 75 per cent of world price, can you imagine the impact on provinces like Quebec and the four Atlantic provinces, just to name those provinces that would have more difficulty coping with that particular sudden rise? I suggest that all of Canada would suffer if we moved in a precipitous way to that price.

We all know that the price of oil is too low at the present time. We all know that the price has to rise. But surely common sense dictates that we must find a procedure whereby we can augment this cost of oil and do it in a careful, appropriate and sensible way. We must not say that all our problems will go away if we yield to what the oil producers are saying, particularly the oil producing provinces, and go to 75 per cent of world price overnight. That will not resolve anything.

What I do welcome are those suggestions coming to me from my riding. As Chairman of the Standing Committee on Finance, Trade and Economic Affairs, I get other suggestions from across Canada. One suggestion came from a constituent who suggested that the government give consideration to tax exempt bonds. In this way an individual could earn a certain amount of interest, say 50 per cent of the going rate, and that money could then be loaned out to help small industries. This would be another source of revenue. That suggestion has been criticized because it would be beneficial only to those who have money and there are other avenues whereby they could get tax advantages. But, of course, if you are going to get money, you are going to get it from the people who have it, those who are prepared to buy these bonds knowing that they will be tax exempt. It would be of significant benefit to Canadians and to farmers if the money were used in that particular way.

Mr. Gamble: When are you going to bring in that provision?

Mr. Cullen: I have made about four or five suggestions to the Minister of Finance.

Mr. Nickerson: He hasn't taken any notice.

Mr. Cullen: Whether he sees fit to adopt all or any of them, we will have to wait for the October budget. I think we do a disservice if we are afraid or do not stand up to be counted in

areas where we think moves should be made by the Department of Finance. Political palliatives that we hear from members of the opposition will not do the trick. They are talking about mortgage protection. Members of the NDP are talking about a modified form of exchange controls, but they are very careful not to spell that out. They talk about freezing interest rates but not having to accept the responsibility of what would happen to the Canadian dollar. Senator Lamontagne said the other day that the value of the Canadian dollar in terms of the U.S. dollar might go down to 78 cents. He has no guarantee that will happen. I suggest, with respect, that he is way off base on that suggestion.

I understand I am allowed 20 minutes in this debate, but in the interests of allowing one of my friends opposite to participate, I will cut my remarks short. I had other things I wanted to say, but I will only mention one. I watched television last night and I was appalled that the banks have indicated to the Minister of Finance that they are prepared to "bend over backward" to help out industry or to help out the small businessman. A bank has decided to move in on a business run by three generations of one family in Bridgeport, Nova Scotia after having been told by the family that they needed two or three more weeks in order to succeed. When banks do not play their part in an area such as that, they are doing a disservice to their customers which they have been pleased and proud to have in the past. When businesses like that get into difficulty and the banks have to make a move, it should be a move in the right direction, which is to help their customers as every other business is required to do at the present. But if banks move in this way they are not, in my view, meeting their social obligations.

There are other areas on which I want to comment but I have agreed to give some of my time so that other members have the opportunity to speak.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I want to thank the hon. member who has just concluded his remarks and allowed me to speak this afternoon. I am pleased to speak on the motion presented by the hon. member for Bruce-Grey (Mr. Gurbin) concerning the economic crisis in this country brought on by the government's handling of interest rates. We do not always look at the question of interest rates as widely as we might. I do not intend to spend a lot of time in my remarks dealing with the why of interest rates. However, I want to deal with the two basic answers we usually hear from the Minister of Finance (Mr. MacEachen) as to why we have high interest rates.

● (1630)

Sometimes he says it is to attract money to this country. That sounds reasonable. At the same time members of the official opposition say that too much money has been manufactured in this country. When we look at the assets of the banks in this country we see that in 1970 they had approximately $32 billion in assets to loan. In 1980 this had increased to $340 billion. The amount of money that is available beyond the direct control of government has grown at a phenomenal rate.

We had the Bank Act before us within the last year. The amount of reserves that the banks are forced to keep were reduced. That results in the amount of money which they can loan for every dollar invested with them increasing that much quicker. Therefore, we have not done very much with regard to regulating the banks. We have virtually allowed the interest rate to be set by an auction every week. I am not certain it has had the desired result.

Our finance critic pointed out that Statistics Canada reports show that consumers and small businessmen have reduced their spending between 40 and 60 per cent. Therefore, they are not bidding up the price for goods and services. They are reducing their spending. However, interest rates keep going up, ostensibly to force us to reduce spending. I do not know where the vicious cycle will end. I know it is affecting farmers in particular, and it is my responsibility to speak for them in this House on behalf of our caucus.

I wish to spend a few minutes to make the House aware of some of the difficulties that have been created for farmers and small businesses. There are a number of cases I could deal with, but I will review two with the House. These are not beginning farmers, poor operators or poor managers. They have grown very rapidly in their first 10 or 20 years in the business and were at a level of production that is considered to be an economic unit, yet both are in trouble.

Case number one is a Saskatchewan farmer who added a half section of land to a section and a half that he was farming just three years ago. The half section which he added cost him $130,000, all of which he borrowed. That was and still is the only debt he has. However, he had a three year renegotiable mortgage and the three years are now up. His interest payments will double from $16,000 to $32,000 per year. The extra increase in interest payments that are due each year equal or exceed his net income for the previous year.

This man is 43 years old, is operating what is considered to be an economic unit, has a good turnover, fairly good grain prices and is considering selling out. That is because the increase in interest rates will virtually wipe out his net income. If he offers the land for sale, the amount of money he will have to reinvest at today's interest rates will easily give him a net income of $60,000 a year before taxes, and possibly more than that. For doing absolutely nothing, he will triple his income. Another relatively young farmer will be going out of business.

The other case involves a tobacco farmer in Ontario who is ten years younger, in his early thirties. He has had two difficult years. His tobacco crop was damaged by frost and disease during the last two years. It reduced his income by about 20 per cent in each of those two years. As a result, his debt load has been increasing.

This man sent me his financial statement for the two years. For the year ending April 30, 1980, his interest payments amounted to $26,934. For the year ended April 30, 1981, carrying very little more debt, they totalled $58,163. He has

attempted to reincorporate his farm to be eligible for a small business development bond. However, he may not be eligible. Going to SBDB would bring the interest load down $18,000 or $20,000, which would allow him and his wife some money to spend.

These are the kinds of situation that farmers are getting into. Many farmers have to re-mortgage their land because mortgage rates are usually slightly lower than operating loans. It is reminiscent of the old Woodie Guthrie song which went like this:

> The mortgage worked the steadiest and the hardest of us all.
> It worked all week and Sundays, it worked each holiday,
> It settled down among us and never went away.

Indeed, mortgages on farm land are not going away. Debt on the farm is increasing much faster on an annual basis than almost any segment of our economy. The economic analysis being done by the finance minister perhaps identifies some of the problems in this country. When the finance minister was studying and indeed teaching economics, the country was considered to have three sectors to its economy. In the fifties, the primary production sector made up 30 per cent of the economy, the manufacturing sector 30 per cent and the service sector 40 per cent. To some extent, our monetary and fiscal policies still seem to run with those basic concepts of the economy.

Unfortunately, the situation has changed considerably. Our primary production now employs about 7.6 per cent of all those employed in this country, that is agriculture, forestry and fisheries. The manufacturing sector which processes the goods and manufactures the tools and equipment accounts for about 25 per cent of our employment. The service sector in today's economy accounts for well over two-thirds of our employment, or 67.4 per cent. When we look at the new situation, we see that the old solutions will not work. In the old days, with the old economics, the agricultural sector was considered to have too much labour. We are always told that we are underutilizing our labour, that we have far too much of it and all of the policies are aimed at getting people out of agriculture. I think nearly all agricultural economists have been of the opinion for the last five or ten years that, if anything, there is a shortage of real skilled labour in agriculture. When we see people like the young tobacco farmer or the grain farmer in Saskatchewan being forced out of agriculture, or coaxed out, by the kind of interest rate policies we have, we realize we are losing a very unique and important part of the economy of this country.

● (1640)

Seven or eight years ago there was a study done which indicated that in terms of the gross national product agriculture was responsible for producing or contributing something like 42 per cent. That may have changed a little in intervening years, but it is still a very sizeable amount. Even though it does not employ very many people, it is still responsible for providing goods that can be used in manufacture and for providing services to the point that a great number of people still rely on it in this economy.

Although the policy of high interest rates under old economics might not bother the government very much, the fact that we are losing some farmers is going to have a disastrous effect. I would cite some of the reactions that some of the farmers in my part of the country are indicating when talking of high interest rates. Many of them are mixed farmers producing hogs and beef.

There is a man in the Rosthern area, for instance, whose father and grandfather have produced registered hogs since the opening up of that part of the country. He is considering shutting down his farm, which will mean about 2,000 pigs per year out of production. Not only will this take hogs out of production, it will do away with a number of fairly important breed or genetic lines which have been introduced into the livestock business. He is doing this for a very simple and fundamental reason. By selling off his livestock, he will have a bit more money to reduce his debt load, thus reducing the amount of interest payable.

What happens one or two years down the road when he no longer has these 2,000 pigs from his farm coming into the economy? What impact will the consumers feel? We have seen an Economic Council report complaining about marketing boards and how they are costly to consumers, but what happens in this free market system when we put people out of production and we do not have that production for consumers to consume? How is that going to fail to be anything but costly to consumers?

We think there has to be a better way of handling the economy. We think interest rates to farmers should be reduced. We have offered in this House and to the minister in committee a number of proposals to increase the use of Farm Credit Corporation loans. We have outlined ways of increasing the amount of money available to the Farm Credit Corporation without having to come to Parliament and without having to increase government allocation. There are many people who are selling farms who would reinvest that money in corporation bonds if there was a tax provision allowing it. We think there are a number of things that can be done.

I see my time is up, Mr. Speaker, but I would again reiterate that high interest rates are killing the people on the farms, small businessmen and home owners, and something should be done about it.

The Acting Speaker (Mr. Ethier): Order, please. It being 4.45 p.m. it is my duty, pursuant to Standing Order 58(10), to interrupt the proceedings and put forthwith every question necessary to dispose of the Main Estimates, Supplementary Estimates (A) and (B), and for the passage of all stages of the bill based thereon, subject to the order made Thursday, June 25, 1981.

Economic Policies

MOTION FOR CONCURRENCE IN VOTE 1, PARLIAMENT

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $12,692,000 under Parliament for the Senate—Program Expenditures, in the Main Estimates for the fiscal year ending March 31, 1982 (less the amount voted in Interim Supply), be concurred in.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I do not object to this matter being handled in this way, but I think it should be part of the record that the reason a vote on this item is being singled out is that under Standing Order 58(4)(a), on behalf of our party, I filed a notice of opposition. We intend to vote against this $12 million for the Senate.

The Acting Speaker (Mr. Ethier): The hon. member has filed a written notice, but at this point I am putting the question to the House. All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to an order made Thursday, June 25, 1981, a recorded division on all further proceedings stands adjourned until three o'clock p.m. Tuesday, June 30, 1981.

Shall I call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being five o'clock p.m., the House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 4.47 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 29, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

CONDEMNATION OF GOVERNMENT POLICY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, under the provisions of Standing Order 43 I wish to introduce the following motion. Whereas the latest May figures show that inflation in Canada is now at 12.3 per cent, far in excess of that of our major trading partner, the United States, at 9.8 per cent, and higher than any other western country, with the exception of Italy, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House condemns the Liberal government for its inability to come to grips with inflation and for its callous disregard for the human misery caused by its policy of ever-increasing prices and the destruction of the Canadian people's savings.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PRICING AGREEMENT NEGOTIATIONS BETWEEN FEDERAL GOVERNMENT AND PROVINCE OF ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent necessity under the provisions of Standing Order 43.

Each day more orders are being cancelled, more people are being laid off, more rigs are leaving the country, more businesses are going bankrupt and more taxpayers' money is being wasted buying foreign oil at $40 plus per barrel when all of this could have been avoided had Prime Minister Trudeau accepted Premier Lougheed's offer last July. In addition, Alberta would have provided money for the Q & M pipeline, some $2 billion for transportation in the west, along with other national benefits. Therefore I move, seconded by the hon. member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet):

That this House urges the Prime Minister even at this late date to accept immediately Premier Lougheed's offer and get this country back on its feet.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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REGIONAL DEVELOPMENT

SIGNING OF NORTHLANDS II AGREEMENT WITH MANITOBA—MOTION UNDER S.O. 43

Hon. Jake Epp (Provencher): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the need for the development of roads, schools and economic opportunities in northeastern Manitoba, and in view of the desire of the government of Manitoba to proceed with the Northlands II agreement, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Regional Economic Expansion sign forthwith the Northlands II agreement between the federal government and the government of the province of Manitoba.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

SUGGESTED MEASURES TO AID CHILDREN—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Inasmuch as it is now two years since the International Year of the Child and the government has taken no major action on behalf of Canada's children, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the federal government reform the child tax credit to benefit low-income children, beef up the Canada assistance plan to include preventive programs, and introduce a New Horizon type of program for "kids" so that young families will

be strengthened and preschoolers in all regions of Canada will have a better start in life.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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GARRISON DIVERSION

SENDING OF ALL-PARTY DELEGATION TO WASHINGTON—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. It concerns the issue of the Garrison diversion project in the State of North Dakota and the fact that the United States Congress may overrule a recent United States court decision which halted construction of the controversial project. I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House seriously consider sending an all-party delegation to Washington to impress upon the United States Congress the concerns of the people of Manitoba.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL WHALING COMMISSION

WITHDRAWAL OF CANADIAN MEMBERSHIP—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In light of the announcement made over the weekend indicating that Canada will be withdrawing from the International Whaling Convention, and because many Canadians feel that Canada, although no longer a whaling nation, can still exercise a role of constraint among convention nations, I move, seconded by the hon. member for Hillsborough (Mr. McMillan):

That this House require the appropriate minister to make a statement on motions explaining the government's cop-out in backing away from a firm decision on the ban on whaling and, in particular, in withdrawing from full membership in the International Whaling Convention, thereby denying itself the role it ought to be playing in the international community and the preservation of endangered species.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

EMPLOYMENT

CONTINUATION OF OUTREACH PROGRAM—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. On Friday 25 representatives from 19 Outreach women's employment centres met in Ottawa in an effort to persuade a departmental official to recommend to the Minister of Employment and Immigration that the eight year-old Outreach program should be continued. Once again the minister, who is also the minister responsible for the status of women, refused to meet with these representatives. In light of the significant help women have received through Outreach centres in overcoming obstacles such as day care, housing, transportation, and insensitive husband problems, problems which Manpower centres are not equipped to address, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House demand the minister immediately meet with women's Outreach representatives, or if he continues to refuse to take a personal interest, to resign as the minister responsible for the status of women.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ENERGY PROGRAM

PROPOSED MEETING WITH INDUSTRIAL REPRESENTATIVES—MOTION UNDER S.O. 43

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the energy service industries of western Canada have suffered an employment drop of some 20 to 30 per cent since the introduction of the Liberal energy policy, in view of the fact that many highly trained individuals are being forced to leave the country, and in view of the fact that most of these companies are 100 per cent Canadian owned and an important part of their local economy in the west, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this House urge the government to follow the lead of nine Progressive Conservative members of Parliament and arrange to have a group of Liberal members of Parliament travel to Alberta and meet with representatives of the industries to see first hand the damage being inflicted upon them by the Liberal energy program.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

RAILWAYS

FUNDING TO UPGRADE SYSTEM IN WESTERN CANADA—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43 I rise to request unanimous consent to move a motion. In view of the fact that Senator Perrault has said the federal government plans to ration western Canadian rail capacity because of congested rail lines, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the federal government provide funds to upgrade and electrify rail lines in western Canada and that the President of the Privy Council begin issuing large rations of common sense to cabinet colleagues in light of the severe shortage of that faculty in the government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

MOVEMENT OF "E" DIVISION FROM VICTORIA TO VANCOUVER—MOTION UNDER S.O. 43

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise on a matter of urgent and pressing necessity. The inability of the Solicitor General (Mr. Kaplan) to answer in a cogent and complete manner any questions concerning the cost of the move of headquarters "E" Division, RCMP from Victoria to Vancouver, at least up to the present time, has clearly indicated that he authorized the move without the faintest notion of what it would cost in either financial, human or social terms. I therefore move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House direct the Solicitor General to put this mistaken redeployment on hold until he has completed social and economic impact studies on the whole matter.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE LATE TERRY FOX

TRIBUTES TO A MAGNIFICENT CANADIAN

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it occurs very rarely in the life of a nation that the courageous spirit of one person unites all the people in the celebration of his life, and in the mourning of his death. Such

a man was Terry Fox, whose death yesterday at the age of 22 has touched all of us with a sense of personal loss.

Canadians wanted desperately for Terry to live, to win his personal battle against the ravages of cancer. Yet it does not occur to any of us to look upon his death as a defeat or a failure. The reason, of course, is that we do not think of this remarkable young man as a victim, but as a victor. We do not think of him as one who was defeated by misfortune, but as one who inspired us with his example of the triumph of the human spirit over adversity.

When Terry lost a leg to cancer in 1977, he must have been sorely tempted to give up on life, to sink into the depths of self-pity and despair. Who among us could say that, in similar circumstances, we would not have done exactly that? Learning to walk again, after such a soul-searing shock, would have been remarkable enough. But Terry went beyond the merely remarkable, and gave new meaning to the word magnificent.

[*Translation*]

Terry Fox chose to react most audaciously to his personal misfortune. He chose to set for himself a challenge which even our best athletes would likely consider to be beyond their ability. He decided not to walk but to run, and not only to run but to run across a continent. And he decided to do all that not for his own satisfaction but to bring hope and help to others.

For the magnitude of his courage and of the task he accomplished, we pay him tribute and quite rightly consider him as a hero. For the way he was able to inspire the country, we will be grateful forever to him. Terry did not complete his marathon of hope. He left us a part of it so that we may run it together. Let us get down to that task, while keeping in mind the example of a young man who devoted all his energy to that noble and generous objective—to spare others cancer, or at least to give them a better chance of recovering from it.

• (1415)

[*English*]

Let us keep fresh in our minds his example of boundless hope and courage. To that end the Government of Canada will establish the Terry Fox Humanitarian Award program, an endowment fund which will finance scholarships for some 250 young Canadians each year.

The program will give help and encouragement, in Terry's name, to young people who are pursuing excellence in their academic studies in the fields of fitness, health and amateur sport, or in fields related to community service. That will be one way of keeping the spirit of Terry Fox alive in our land, one way of remembering a young Canadian who gave far more to his country than his country was able to give to him.

In the midst of mourning, let us also celebrate the inspiring life of one who has touched all our lives and enriched all our lives.

I know, Madam Speaker, that all hon. members would want you to convey to Terry's parents and his family the profound sympathy of the House of Commons. But I also believe we

want you to express to them more than our sympathy. We would like you to express as well our profound gratitude for the gift which Terry gave to all of us, the gift of his own boundless courage and hope, the gift of his magnificent and unselfish generosity, the gift of a life which has inspired us all.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to join the Prime Minister (Mr. Trudeau) in expressing both the deepest sympathy and the deepest gratitude of this House and the Canadian people to the family of Terry Fox.

I think some images last forever in our memory. None of us who saw it will ever forget that one young man, running alone against impossible odds; running, because quitting was no part of Terry Fox. He called his run the Marathon of Hope, and it did bring hope to millions of people who have battled cancer or other disease, or who have battled despair. But, Madam Speaker, hope was the result. The cause, the essence of the man we mourn, was courage. He ran alone and proved to all of us who have lesser troubles that one individual, alone with his will, can change our world. He did what Parliaments and philosophers talk about, and he enlarged the lives of everyone who knew his story.

[*Translation*]

I know that today all Canadians mourn together for the death of Terry Fox, a son of whom Canada can be proud. He led a long and hard fight against death, and his courage will remain a great source of inspiration for all those who have to cope with illness or fear. Terry has done more things during his short life than most of us ever do in many more years.

● (1420)

[*English*]

Terry Fox was a Canadian hero whom the youngest children could understand. Yesterday morning he lost one battle, but his life was a victory, a victory of hope, of courage, of example. I pray that we in this Parliament and this country may be worthy of the standard of Terry Fox.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I am honoured to have the privilege of associating the members of the New Democratic Party with the tributes which have been given so eloquently by the Right Hon. Prime Minister (Mr. Trudeau) and the Right Hon. Leader of the Opposition (Mr. Clark).

We are all deeply conscious of what a hero Terry Fox has become in the life of this country. There seems to be a bit of significance in the fact that this man, though most of what he did was done last year, has in this International Year of the Disabled become such a hero. Indeed, he has shown by his courage and his determination that there are many disabled and afflicted people who are prepared to try to turn disability or affliction into a challenge to the spirit. We believe this young man has done that for all of us.

Death is always hard to take or hard to understand. It is not so difficult when many years have been lived, but when it comes at such a young age it is very hard to take. Even so, as those who spoke before me have said, who could live a more creative, a more successful and a more effective life than Terry Fox has lived in the few years he has been on Canadian soil? We pay our deepest respects to him and to his memory.

There are times when older folk are inclined to wonder whether the younger generation has what it takes to carry on and build a better world. No one in Canada is saying anything like that today. If the generation between the ages of 20 and 30 can produce a Terry Fox, the future of this land is in good hands.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

ACTION TO ENSURE ESSENTIAL SERVICES IN EVENT OF STRIKE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the President of the Treasury Board, who will be well aware—as, unhappily, the nation is—that some 23,000 postal clerks and mail handlers are on the verge of a national strike at midnight tonight. The minister knows that when such a situation develops the people who suffer most are Canadians who are in need of government cheques, and Canadians who are in need of the services of the Post Office to keep their businesses functioning.

I wonder if the minister, on this eve of a strike which could be so damaging to the country, could tell the House of Commons what steps the government is taking to ensure that those vital Canadian postal services will be maintained for the Canadian public in the event of a strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as in the past, arrangements have been made, not for postal service per se, but for distribution through the Department of Supply and Services of all socio-economic payments of the kind referred to by the Right Hon. Leader of the Opposition.

CONCILIATION BOARD REPORT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we are in this situation in part because the government, through the Treasury Board, which had invited the union to return to the bargaining table, has now rejected the

union's request that the conciliation report be used as a basis for agreement.

Since the government appointed a neutral conciliator to make recommendations and to submit a report, why does the government now refuse to accept that report as a basis for bargaining?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, today the union has refused to return to the bargaining table unless the government agrees in advance to accept those specific areas of the chairman's report which the union wants accepted. I might add, we, on behalf of the government, have accepted a large number of the chairman's recommendations, including those related to wages and COLA. In addition, the union has also indicated it wants to negotiate the other items on the basis of the minority union nominee's report. A combination of these things taken at their maximum would increase costs by approximately 28 per cent over last year's payroll costs.

However, I should advise hon. members that I issued a release at lunchtime indicating we have delivered a full package on our position as a government on all the outstanding issues, and also indicated our willingness to return to the bargaining table and negotiate specifically maternity benefit leave provisions.

• (1425)

GOVERNMENT'S POSITION ON INDIVIDUAL ITEMS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, there seems to be some dispute at least between the publicly stated positions of the union and the government. I, naturally, will not challenge the government's interpretation of the elements in dispute as the minister has just given it, but I wonder if the minister could tell this House which elements, if any, of the conciliation board chairman's report the Government of Canada is not prepared to accept, and why?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, in the hope that the parties will be returning to the negotiating table some time today, and we have an outstanding invitation to that effect, I do not think it would be appropriate for me to deal specifically with these items. I believe hon. members are aware of the report's terms and conditions, items I have discussed in the past, and I really think it would be appropriate to let the parties get to the negotiating table and obtain a fair and just settlement for both sides.

* * *

CANADIAN BROADCASTING CORPORATION

NEGOTIATIONS TO SETTLE LABOUR DISPUTE—CORPORATION POSITION

Hon. Erik Nielsen (Yukon): Madam Speaker, my question is directed to the Secretary of State and it has to do with labour problems in another sector of the public service. Why is it that the CBC is not content to accept the very major concession from the union which gives the corporation, for the first time, unrestricted access to independent television producers to produce programs which would increase the amount of Canadian content? Instead, it is demanding the right to use independent producers to do current programming and to produce parts or segments of programs, and the ability to hire freelancers to do technical work without the necessity of ensuring that CBC's own staff of NABET members are fully employed.

Does the minister not agree that what the CBC is proposing will inevitably lead to duplication of effort and services, forced featherbedding, and inefficient use of manpower, resources, and public funds?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I met with members of NABET's executive on Friday. They had the opportunity of making their point of view known to me, which is exactly along the lines of the question the hon. member has raised. I am meeting with CBC management tomorrow morning to go over those specific items.

TELEVISION COVERAGE OF SUMMIT CONFERENCE

Hon. Erik Nielsen (Yukon): Madam Speaker, does the minister not agree that already the corporation has wasted several millions in relinquishing the coverage of the 1981 Summit conference in Ottawa, rather than negotiating a settlement with its employees? In addition, thousands of northern Canadians who rely on CBC as their sole communications link with current affairs have a right to expect an early restoration of this vital public service after 40 days of footdragging.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, obviously we would like to see the strike settled as soon as possible. That is one of the reasons why the CBC is indeed continuing to negotiate.

As far as the Summit conference is concerned, the CBC offered to host the conference once again. It asked NABET for guarantees that it would be able to do so but they were unwilling to give those guarantees. That is why the CBC has had to relinquish its rights as host broadcaster. Of course on this side of the House, as on the other, we would very much like to see the situation resolved before the Summit, and in any event as soon as possible.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SIR MALCOLM FRASER, PRIME MINISTER OF AUSTRALIA

Madam Speaker: I have the honour to draw the attention of the members of the House to the presence in our gallery of Sir Malcolm Fraser, Prime Minister of Australia.

Some hon. Members: Hear, hear!

● (1430)

POST OFFICE

REQUEST THAT CHIEF GOVERNMENT NEGOTIATOR BE CHANGED IN ATTEMPT TO AVERT STRIKE

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question also relates to the postal situation, and it is for either the Right Hon. Prime Minister or the President of the Treasury Board. I hope my question will not be taken as asked in a provocative sense, but in an effort which we all share to get the dispute settled before midnight tonight.

In view of the fact that the postal workers requested today that the government side of the bargaining be transferred from the President of the Treasury Board to the Postmaster General, due to the fact that the Postmaster General has had success in recent occasions, would the President of the Treasury Board consider stepping aside, or would the Prime Minister consider making that change in the hope that, in the last minute bargaining this afternoon and this evening, a postal strike might be avoided?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the hon. member would recognize that in all forms of negotiations, but particularly in the matter of industrial relations, each side should be left free to designate its negotiators. I have designated, as is the custom, the President of the Treasury Board. I feel we cannot find a more expert negotiator on behalf of the government.

Some hon. Members: Hear, hear!

Mr. Knowles: If developments this afternoon indicate that the suggestion of a change should be implemented, I hope it will yet be considered.

ITEMS SELECTED FOR NEGOTIATION

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I say to the President of the Treasury Board that we welcome his offer to put maternity pay on the table at any meetings which take place this afternoon. Is it not possible to put one or two other items there, such as 12 statutory holidays per year? What is wrong with that in this day and age?

Some hon. Members: Oh, oh!

Mr. Knowles: There are now 11; one a month is not out of the way. Another item could be the discontinuance of further installation of television surveillance in the hope that, although postal workers are saying they want the whole package recommended by Mr. Jasmin, if there is a willingness to compromise there might yet be a settlement.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I should like to repeat my comments when I responded to the Right Hon. Leader of the Opposition. As much as I would love to engage in dialogue with the hon. member for Winnipeg North Centre, I really believe this is not the appropriate forum. Let us hope the parties get back to the negotiating table this afternoon and I will have good news to report to the House tomorrow.

RELEASE OF INFORMATION ON GOVERNMENT'S FINAL OFFER

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. Realizing that disclosure now might hamper negotiations, might I ask the President of the Treasury Board if, in the interests of public awareness, he will release the details of the government's final offer immediately upon the commencement of any strike action?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I believe it important the public be aware of the respective positions of the parties should such an event occur, and I imagine that is what we would do.

* * *

THE ECONOMY

RATE OF INFLATION—COMPARISON WITH UNITED STATES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Prime Minister. Today it was announced that Canada has the highest rate of inflation of all industrialized countries in the world with the exception of Italy. Our inflation rate today is well above the average for industrialized countries, but of greater concern is the fact that it is about 2.5 percentage points higher than that of the United States, whereas a year ago we were three percentage points below the United States. Thus there has been a deterioration of about 5.5 per cent.

Has the government undertaken any studies of the performance in the United States to see whether we in Canada can learn anything to improve our performance?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member uses the consumer price index to make his comparisons. It is quite obvious, and a study of the consumer price index confirms this, that a short-term analysis based on this index often shows a wide gap between inflation rates in the United States and in Canada. However, if the same figures are applied to a longer period, the gap tends to get narrower. Other measurements might be used and considered by the hon. member. I urge him, for instance, to look at the inflation rate included in the GNE. He will see that for the last four quarters, including the fourth quarter of 1981, the inflation rate in the GNE is 9.6 per cent in Canada and 9.4 per cent in the United States. Of course, the hon. member may reply that you can use whatever figures best prove your case. However, one must take all the figures into account in order to draw logical conclusions.

[*English*]

CONSIDERATION OF NEW POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I was using a longer term than the minister. I was talking about a full year's experience where we have seen a very major deterioration. It is not who is playing with the numbers; it is he.

One of the major causes of the deteriorating performance in Canada relative to the United States is the inflationary expectations which are much more prevalent here than in the United States. We see that in the differential in wage negotiations and also in the wide spread between borrowing costs for long-term borrowers in the two countries.

My question is directed either to the minister or the Prime Minister. Is the government considering any new policies to broaden the battle against inflation so that it is not just a monetary or high interest rate policy, but a broader package of policies which would give Canadians the confidence that something is being done up here to fight inflation, similar to the package which was developed in the United States? If a package is not developed here, the credibility of the government will stay where it is now, that is, nil.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I am very glad that the hon. member has stressed in his preamble that inflationary expectations are more prevalent in Canada than in the United States. He is well aware that those inflationary expectations must be checked if both the monetary and the fiscal policy of the government are to be effectively supported. However, I would point out to him that these inflationary expectations are often fed by the comments made by his colleagues when they talk about interest rates or other effects of inflation. I would also like to remind him that, in the October budget, the Minister of Finance undertook to reduce government spending and the government deficit. These commitments support the monetary policy advocated by the Bank of Canada, and if we succeed in putting a stop to these inflationary expectations, these measures combined together will help us reduce in the middle term the inflationary pressures in Canada.

* * *

[*English*]

AIRPORTS

HAMILTON CIVIC AIRPORT EXPANSION—COMPENSATION TO PROPERTY OWNERS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Minister of Transport. Given the fact that the minister's special assistant met with the mayors of Ancaster and Glanbrook in my riding last week on the subject of compensation for property owners adjacent to the expanded Hamilton Civic Airport, and since those people who will be drastically affected appeared before an official expropriation hearing all last week, is the minister now in a position to say what possible compensation will be available to those who could be really badly hurt by this airport expansion?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer is none. When the decision was made to expand the airport at Hamilton, it was known that the runway would have to be extended. This has affected a number of houses located nearby, and 16 or 17 houses are now being expropriated. A number of houses—possibly 80—will be affected noisewise. The answer in that regard is that, first, the noise effect will not be substantial and, second, there is no policy for expropriation of houses in the situation where noise has an effect.

REQUEST FOR SPECIAL TREATMENT

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I have a supplementary question. Given the fact that many of these people bought their land before the airport was developed, could the minister not assure my constituents that his department will update the policy to take into consideration the injurious effects on the people? Will the minister judge the Hamilton airport situation on its own merits as a unique situation, and not ask the people to bear the cost of something which benefits the whole region? In short, will he listen to the concerns and the representations made by the people at the expropriation hearing?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have in mind, as I am sure the hon. member does, the very strong representations which were made to me a few months ago before a decision with respect to the extension of the Hamilton airport was made. The hon. member was one of those who pressed me so hard I could barely stand up straight!

This is a policy which has been reviewed a number of times, that is, of no compensation for noise. I repeat that the noise factor in this instance is not of a considerable nature. If the department does not have a policy of compensation for the effects of noise, it is simply because of the consequences of creating a precedent. We would obviously have to revise our position for every airport in Canada. This is a position which we cannot sustain, unfortunately. I regret that.

* * *

● (1440)

INTERNATIONAL WHALING COMMISSION

WITHDRAWAL OF CANADIAN MEMBERSHIP

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Prime Minister. Perhaps he will answer; I am not sure.

Over the weekend the government announced that it was withdrawing from the International Whaling Convention. The Prime Minister and I have exchanged correspondence on this

matter over the course of the last few months. I simply ask him why?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I quite honestly thought that was the thrust of many of the environmentalists supported by the hon. member, that is, the thrust of their wish.

Mr. Nielsen: Their what?

Mr. Trudeau: The thrust of their wish, their desire, their expectation, their hope.

Some hon. Members: Hear, hear!

Mr. Trudeau: We had the choice of either staying in the IWC and incurring the blame of environmentalists or of getting out, and now we fail to obtain the support of the hon. member. I think what is crucial to the understanding of this matter is that we are withdrawing as members but we will still be present as observers.

We are not ourselves a whaling nation. We will still be able to express whatever arguments we can to the commission. Simply put, we will not be a full member and, therefore, we will not be part of its decisions, of those nations which continue to be whaling nations and which, if I understand the hon. member's representations correctly, are catching too many whales for the good of the cetacean species.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, since we are in fact dealing with the endangered species of whales, and since those nations which will remain on the commission, if every other nation took the same position which Canada has taken, will be whaling nations, which are the very people who are endangering the species, surely it would make more sense for the Canadian government to continue to sit at the bargaining table, to continue to have a vote and to continue to have an opportunity to influence the outcome, rather than to abdicate responsibility and ultimately destroy the entire species?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I remember using that argument myself, particularly in an exchange I had with the hon. member. But this did not result in the withdrawal of the pressure which he and other environmentalists were placing on us. We were being blamed for the decisions of whaling nations with which we did not agree. I repeat that is why we have given notice that within a year we will withdraw from the commission as a member but will continue to participate as an observer.

REASONS FOR WITHDRAWAL

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is for the Secretary of State for External Affairs. Given the fact that Canada's withdrawal from the IWC amounts to a shameful international cop-out, and given the fact that our withdrawal from the IWC will seriously impair our ability to influence the two principal whaling nations, the U.S.S.R. and Japan, and since that will have serious consequences on our own ability to regulate the situation in our own waters where whales are destroying the gear of fishermen on the Atlantic coast, will the minister tell the House why Canada decided to withdraw? Is Canada prepared to reconsider this shameful international cop-out?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, when Canada first entered the International Whaling Convention in 1946 we were a whaling nation. But since commercial whaling was abolished by government order in Canada in 1972 our policy has been under constant review. In the last year we have had an intensive review of this question, and as a result of that we have decided to remain associated with the International Whaling Commission as an observer and in its scientific work, using its scientific conclusions and contributing to them but no longer being a formal voting member of that body. It seems to me this is perfectly consistent with our interest at the present time, which is that of a non-whaling country.

CANADIAN RESPONSIBILITY

Hon. James A. McGrath (St. John's East): Madam Speaker, given the fact that only two of the 25 signatories to the IWC have a commercial whaling operation and that if all other member countries were to follow the rationale of Canada there would be no international whaling convention, there would be no conservation, no control, surely Canada has a responsibility not only to preserve these magnificent animals but it also has a responsibility to our own fishermen. Given all of these facts, surely Canada has an obligation to remain a member of the IWC. Will the minister reconsider?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, it seems to me our obligation is not to a convention but to the conservation of the species. We are living up to that obligation. We are continuing to work with the scientific division of the International Whaling Commission. We are continuing to offer them our support. We continue to urge that a larger whaling convention, and a better one, replace the 1946 convention. In all of these areas we are completely and fully involved. That is our obligation, one which we are fulfilling.

STEPS TO PREVENT EXTINCTION OF WHALES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Secretary of State for External Affairs. Now that Canada has not only removed itself for all practical purposes from the International Whaling Commission but has also undermined that major international body by withdrawing in the fashion in which it did, would the minister tell the House, the people of Canada in particular, and conservationists and environmentalists around the world who are concerned about the fate of the whale, what specific steps the government

intends to take outside the International Whaling Commission to prevent the extinction of this important mammal?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I was not speaking of steps outside the whaling convention but of steps in accord with the International Whaling Commission and in accord with its scientific mandate and interest. We are continuing our association with that body. As I mentioned before, we are also continuing our interest in a large and better whaling convention which would replace the 1946 convention.

IDENTITY OF ADVISERS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is for the same minister. Surely he would admit that all the initiatives to which he has referred would be much more effective if Canada were a full member of the International Whaling Commission rather than a second-class member on the outside looking in. In view of that fact, would the minister share with Parliament and the people of Canada, upon whose advice did the government act to withdraw from the International Whaling Commission, thereby undermining this important international body? Is it not true that every single major environmental and conservation group in Canada has urged against the action which the government has now taken? How can the government justify such stupidity against expert opinion, both within government and outside it, including expert opinion from its own advisory committee on the subject of whaling?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as I have said, every year before the meeting of the International Whaling Commission we have a review of all aspects of the whaling problem, and of our continued participation. After last year's meeting we launched an intensive review within the government, and I am sure the Minister of Fisheries and Oceans will join with me in assuming the responsibility for persuading cabinet, on the basis of advice from our own officials, to take this step after full consideration. At the same time we reiterated our determination to contribute to the conservation of the species.

* * *

• (1450)

[*Translation*]

TRANSPORTATION

FEDERAL AID TO MUNICIPAL TRANSPORTATION IN MONTREAL REGION

Mr. Marcel Roy (Laval): Madam Speaker, my question is for the Minister of Transport. Last Friday the minister met with his counterpart in Montreal and announced that the Canadian government would be contributing some $80 million to the upgrading of public transit in greater Montreal. Members representing that area, who have been working towards this end for the past ten to 12 years are of course overjoyed by this announcement. My question is as follows: will the provincial government act alone as project manager? What was the provincial share announced at the press conference? Will the federal government have some visibility as far as its share is concerned, since this money was collected from taxpayers all across Canada, or will all the merit, credit and visibility for this project be given only to the province, as is the case in all other cost sharing programs?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, last Friday in Montreal I recognized the contribution of all those, either ministers or ordinary members of Parliament, who had taken part in the development of this project. The federal share of $80 million is made up of three components: $10 million from the CN, $30 million from UTAP, which is a federal program designed to assist the development of urban transportation in the provinces, and $40 million made up of special subsidies.

In view of this substantial contribution, the province and the Montreal Urban Community will now be responsible for developing the project. They will be project managers since they will be responsible for the operations as well as any deficit incurred. I strongly emphasize that the federal contribution is now paid out directly and I think that Montrealers will recognize that it is quite substantial. The federal money will be used strictly to put commuter trains back into operating condition. Any improvement, transformation or updating of equipment will be the responsibility of the Quebec government and of the Montreal Urban Community.

[*English*]

SITUATION IN TORONTO AND IN NATIONAL CAPITAL

Hon. Walter Baker (Nepean-Carleton): Now that the minister has made an announcement with respect to Montreal, when does he intend to make an announcement with respect to the promises made in 1974 with respect to Metropolitan Toronto, and the promises that previous governments have also made to deal in an upfront way with transportation commissions within the National Capital of Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not too sure what my hon. friend refers to. If he refers to Toronto, the Go train was realized, if I remember well, after 1967. At that time, the federal government made a substantial contribution of $10 million which, if my hon. friend wants to index, constitutes quite a lot of money in today's terms.

I would like to ask the hon. member again what he has in mind when he talks about the Ottawa situation. Does he have air transportation in mind? I do not know. Therefore I had better ask him to start over again and restate his question.

Oral Questions

RAILWAYS

FUTURE OF VIA RAIL PASSENGER ROUTES

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to stay with the Minister of Transport.

Some hon. Members: Oh, oh!

An hon. Member: Why?

Mr. Benjamin: Of course I would like to have my back to the wall and my gun loose in my holster while I am doing that.

A source which has always been very reliable in the past, as far as I am concerned, has informed me that the minister has received representations from departments of government and has proceeded to get cabinet approval for the abandonment of 16 VIA Rail passenger routes and reduction of five other routes, and that he will be making an announcement some time between now and the middle of July, certainly by the end of July, for these abandonments or reductions to take effect before the end of 1981. Can the minister tell me if that source of mine is reasonably accurate? Is he giving consideration to or has he received approval for such an order?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a few months ago my hon. friend had a piece of paper and he informed Canada of its existence. Therefore, he is aware and knows very well that a study of the VIA economic situation has been going on for a number of months now. He is probably aware, better than anyone here, of some of the success of VIA in recent months, in the recent two or three years; but he is also aware of the extraordinary growth of VIA's operating deficit which was at the level of $300 million last year and will be going up to $550 million in 1983-84, unless something is done about it.

I am quite sure that the hon. member expects the Minister of Transport and the government to do quite a responsible job in trying to save the good aspects of VIA and, at the same time, rationalize it to the greatest possible extent.

ROLE OF CANADIAN TRANSPORT COMMISSION

Mr. Les Benjamin (Regina West): Madam Speaker, the minister said himself that there has been a magnificent increase in passenger handling by VIA Rail. In light of the fact that the Canadian Transport Commission has held hearings relating to 15 of these 21 routes, and recommended that they all be retained, may I first ask the minister whether it is correct that CTC has not been informed of any decision made by cabinet, or which will be made, that CTC will be bypassed, and there will be no public hearings held on any abandonments? In light of the return of the train, in view of the energy crisis, can the minister give any assurance that he will reconsider any decisions to abandon passenger train routes?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am quite sure that when the government makes a decision, if and when it does so, CTC will be properly informed.

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NUCLEAR ARMAMENTS

PROLIFERATION AS SUBJECT FOR SUMMIT CONFERENCE AGENDA

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister. Given the recent bombing of the Iraqi nuclear reactor and the subsequent reactions and comments which have followed it, all of which have served to increase the danger of the manufacture and the use of nuclear bombs, and given that the major supplier countries in the world of nuclear materials and nuclear technology are the very countries which will be meeting here in Ottawa, for the Summit in July, will the Prime Minister indicate to the House if it is his intention to have this threat of greater nuclear proliferation added to the agenda of this Summit in July?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in at least one or two of our meetings we will be discussing the international political situation, including that in the Middle East. There is no sub-item on the agenda which would cover the area which the hon. lady suggests, but it is quite possible that it will be discussed, as it was in previous Summits which I and, I presume, she attended.

REPROCESSING OF NUCLEAR WASTES

Hon. Flora MacDonald (Kingston and the Islands): The Prime Minister will remember, as I stated in the recent foreign policy debate, that with the bombing of the Iraqi nuclear reactor the world crossed a new threshold in nuclear proliferation. Now we have the fear of nuclear bombing leading to an attack, or to a hostile act by one country against another.

I would like to ask the Prime Minister whether he does not feel, on Canada's behalf, that he should be prepared to put forward proposals by which the reprocessing of nuclear wastes or the enriching of uranium could be added to the agenda of the Summit so that these matters could be dealt with and not be allowed to escalate into greater fears of nuclear proliferation.

Right Hon. P. E. Trudeau (Prime Minister): As the hon. member knows, these matters have been discussed in a very consistent way by Canada in its bilateral meetings with—the hon. lady says no. I presume she did not discuss them, but we discussed them. I remember discussing them very specifically and urgently in a tour which I made to Germany, Italy and several other countries in 1975. We were then attempting to impress—

Miss MacDonald: Do you not consider it more urgent?

Mr. Trudeau: The hon. lady has a supplementary question, Madam Speaker.

URGENCY OF ISSUE

Hon. Flora MacDonald (Kingston and the Islands): I would like to ask the Prime Minister if he does not now consider this issue to be more urgent and pressing, following what has happened in recent weeks with the bombing of the Iraqi nuclear reactor, than it has been in the past.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot say I feel it more urgent, because I have always felt it to be extremely urgent. Indeed, the hon. lady herself will recall that when she was foreign minister, one of the reasons why Canada was not able to sell a nuclear reactor to the Argentine was because we felt more strongly about safeguards than did one of our competitors. It was under her government that this contract was lost. Therefore she must have felt it was urgent then to make the point; otherwise she would not have lost a great contract for Canada.

* * *

● (1500)

EMPLOYMENT AND IMMIGRATION

DEPARTMENT'S HIRING PRACTICES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Employment and Immigration. Does the minister's department follow the stated policy of his government on mobility of labour, namely, that geography plays no role in hiring practices?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is the purpose of our department to assist workers who are out of work to make choices to move to other areas. Of course we agree with the general commitment of this government, which is clearly enunciated in our charter of rights, that Canadians have the right to choose where they want to work in this country, to do so by right, and thereby overcome many of the false barriers raised by other jurisdictions which prevent workers from going to areas which they consider to be under provincial jurisdiction.

ELIGIBILITY OF JOB APPLICANT RESIDING IN NORVAL, ONT.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, can the minister then explain why his department will not consider an application of a constituent of mine, a civil servant, who wants to be placed in a competition for an immigration counsellor, because he lives in Norval, which is one hundred yards outside an arbitrary boundary set by those who do the hiring? Will the minister ask that this method of weeding out applications cease immediately?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is difficult for me to respond to a specific case not having been given prior information. However, I will be very pleased to receive the information from the hon. member and to look into the case to determine the facts and how we can deal with them.

* * *

REGIONAL DEVELOPMENT

SIGNING OF NORTHLANDS II AGREEMENT

Hon. Jake Epp (Provencher): Madam Speaker, my question is for the Minister of Regional Economic Expansion. In view of the fact that the province of Manitoba has been ready to sign the Northlands II agreement and that roads, schools and economic development are desperately needed in northern Manitoba, about which there have been a number of communications with the minister, could he give us an answer as to whether or not he has signed the Northlands II agreement on behalf of the Government of Canada? If not, when does he expect to sign it?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Yes, Madam Speaker, I have authorized the expansion of that agreement for a year so that both governments will be able to study further the proper measures that should be continued in the north and also the kind of mechanism that should be used to continue development of the northlands.

REASONS FOR DELAY

Hon. Jake Epp (Provencher): Madam Speaker, the minister knows that the year's extension was not in keeping with the general agreement that was to be signed namely, that there was to be a general secondary phase agreement. Why is it just one year rather than the normal general agreement that had been signed earlier? Is it because cabinet has not authorized additional money? If we take a look at some other supplementary agreements, they are not being signed either. Why the delay in this matter?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The delay is certainly not for the reasons outlined by the hon. member, Madam Speaker. It is so that both governments can study what the best avenues are to continue development of the north.

* * *

CANADIAN BROADCASTING CORPORATION

USE OF EQUIPMENT PROVIDED FOR SUMMIT CONFERENCE COVERAGE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the minister responsible for the CBC, and it is supplementary to an earlier one. It relates to the provisions for coverage of the Summit conference.

A very substantial investment has been made in plant and equipment under the original CBC host broadcast proposal. In the arrangements with CTV to act as host broadcaster is it the intent that all of that equipment which CBC built be dismantled and the money spent be paid back to the government as planned, or is it the intent that CTV take over that equipment and use it as host broadcaster? If that is the case, the government will put the NABET CTV technicians in a position that they must not work because they will be in a sympathy strike position.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, the hon. member should know that the organization for the Summit is not in the hands of the Minister of Communications. It is in the hands of another department. As far as the CBC is concerned, I believe that it took the only position it could take at this stage, that it would try to see to it that the Summit was covered. The only way to do so was to ask its technicians for a guarantee that they would allow it to proceed if the CBC did proceed with coverage. In the absence of such guarantees I do not believe that the CBC had any other option but to release its hold on the Summit as the host for the conference, and to allow the Summit organizers to retain other people to bring coverage to Canadians and to the world.

ARRANGEMENTS BETWEEN CORPORATION AND SUMMIT ORGANIZERS

Mr. John Bosley (Don Valley West): Madam Speaker, I asked the question specifically of the minister responsible for the CBC because it is a labour question within the CBC. Perhaps I can repeat the question because it has not been answered. Is it the minister's understanding that when CBC released its host obligations that it intended the equipment which it has, paid for by the government, be turned over and used by the Summit, or is it not to be used? The minister will know that if the CBC does that, the NABET technicians at CTV will be put in a position whereby they must not work because of the work stoppage existing at the CBC by NABET technicians. It originates because the CBC was granted the deal in a sweetheart way rather than the government understanding that it would be offering these things in the beginning to all broadcasters.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam speaker, I will be pleased to check into the details of the arrangement between the CBC and the organization for the Summit. As the hon. member knows, this government does not interfere in the normal operations of the CBC. The CBC, when it has labour relations problems, is responsible for negotiating those problems, and that is what the CBC is endeavouring to do.

IMMIGRATION

EMPLOYMENT OF FOREIGN DOMESTICS—ELIGIBILITY FOR SOCIAL SECURITY

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is for the Minister of Employment and Immigration. In April the minister received a report which indicated that foreign domestics working in Canada are contributing $2 million a year in the form of payments to unemployment insurance and the Canada Pension Plan, yet domestics are not able to collect benefits from either of these programs. Given that these people are not the most affluent in the country, what steps has the minister taken to correct that iniquitous situation?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the purpose of the report was that it be used as a basis for discussion by a wide variety of groups, including my colleagues and members of provincial governments, to determine how we could revise regulations relating to domestic workers. That report has now been distributed. A number of replies have come in during the past month or two and we are looking at them. I hope that we will be able to bring forward a series of changes and reforms by September of this year.

PROCESSING OF APPLICATIONS MADE BY FOREIGN DOMESTICS

Mr. David Orlikow (Winnipeg North): Madam Speaker, approvals of applications for domestics are only being registered, I understand, for those domestics who are prepared to live in the home of an employer. Applications of domestics in the country for renewals, or new applications for domestics who want to work in Canada but live outside the employer's home are not being processed. Would the minister explain the reasons for that kind of a decision?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, that has been the state of affairs for several years now. As I said, I am looking at that particular issue in the report as to what are the requirements. There is no specific requirement to stay within the home itself, that is the basis for the application to come into the country. I indicated about a month or so ago that if a domestic runs into problems with an employer and wants assistance to go to another place of employment, the individual should contact the local office of the employment commission and we will provide advice and assistance in making that move.

* * *

GARRISON DIVERSION

SENDING OF ALL-PARTY DELEGATION TO WASHINGTON—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Madam Speaker, my question is for the Minister of External Affairs but since he appears to

have left the House I will direct it either to the acting minister or to the Prime Minister, if I can get his attention.

It has to do with the question of the Garrison diversion project in North Dakota. The United States Congress may be very near the process of overturning a recent court judgment on the Garrison question. If that is done it would allow further construction to take place. Is the government prepared to allow an all-party committee of the House of Commons, made up of a member from each party together with a member of the provincial legislature of Manitoba, to appear in Washington before the various committees dealing with this issue so that the concerns of the province of Manitoba may be carried directly to the politicians who are making the decision at that particular level in Congress?

Hon. Lloyd Axworthy (Acting Minister of Consumer and Corporate Affairs): Madam Speaker, if I might answer as the Acting Minister of Consumer and Corporate Affairs, on the occasion of the meeting with the President of the United States the matter was raised, as well as with the external affairs minister. They have received assurances from the new American administration that there will be no action taken on the Garrison diversion that will in any way endanger Canadian waters. That seems to be a very firm assurance. Therefore it would not require the kind of representation the hon. member is suggesting.

● (1510)

LOBBYING OF UNITED STATES CONGRESS

Mr. Jack Murta (Lisgar): Madam Speaker, that is exactly the same line being given to almost every representation made to Washington by any Canadian official. Frankly, people from the province of Manitoba, certainly members of Parliament, are getting sick and tired of that kind of official line. It is not working. Obviously construction does, from time to time, take place. I will repeat the essence of my question. Is the government prepared to allow a committee to go to Washington to lobby directly with the Congress of the United States on this very matter? That seems to be the only thing that would work. If we do not do that, the Garrison diversion may become a *fait accompli*.

Hon. Lloyd Axworthy (Acting Minister of Consumer and Corporate Affairs): Madam Speaker, I again suggest to the hon. member that he is raising false expectations. Very firm assurances have been given. I met personally with representatives of different groups in Manitoba which deal with or are concerned about the matters of Garrison. Their fears and anxieties are not nearly as severe as those of the hon. member. They realize that a very firm commitment has been given. There has been no action taken whatsoever to extend the present project. We must deal through official channels until proven wrong. In this case, the good faith is being lived up to.

Committee Reports

AIR TRANSPORT

MEASURES TO PREVENT WORK SLOWDOWNS BY AIR TRAFFIC CONTROLLERS

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of Transport. In view of the fact that the United States air traffic controllers union will appeal a federal district judges' decision upholding a 1970 injunction against a work slowdown, and in view of the fact a work slowdown at airports creates utter chaos in passenger services, will the minister ensure that no work slowdowns of air traffic controllers will take place in Canada and, if necessary, make such work slowdowns illegal?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the air controllers in Canada are still under an injunction. Therefore, should they proceed to do anything which is not according to contract, the injunction would apply. I want to emphasize that we are, nevertheless, trying to get a good working relationship with the air controllers. Bill C-65, the superannuation for air controllers bill which was passed last Thursday, is a good indication of the willingness of this House and the Canadian government to deal with them in a fair fashion.

* * *

PETITION

MR. FLIS—SUPPORT FOR RECOGNITION OF JULY 1 AS CANADA DAY

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the fifty-seventh report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Parkdale-High Park (Mr. Flis) and finds that it meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

Fourth report of Standing Committee on National Resources and Public Works—Mr. Watson.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

Introduction of Bills

PETITION

MR. CLARKE—LANDING FEES AT VANCOUVER INTERNATIONAL AIRPORT

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have a petition signed by 630 Canadians resident in British Columbia. It is a petition that was circulated by the Canadian Owners and Pilots Association concerning the landing fees at Vancouver International Airport and other major airports which have been tripled from $1.65 to $5 each. This is particularly important because no alternative landing site to Vancouver International Airport has been provided, as has been done at some other airports. The petition asks for a delay in the imposition of the new fees pending a complete review.

* * *

ANIMAL DISEASE AND PROTECTION ACT

AMENDMENTS RESPECTING COMPENSATION PAYMENTS

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-70, to amend the Animal Disease and Protection Act.

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

* * *

[*Translation*]

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

AMENDMENT RESPECTING ISSUANCE OF DEMAND NOTES

Hon. Pierre Bussières (for the Minister of State (Trade)) moved for leave to introduce Bill C-71, to amend the International Development Association Act.

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

* * *

[*English*]

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING INCREASE IN ADVANCE PAYMENTS LIMIT

Hon. Paul J. Cosgrove (Minister of Public Works) moved for leave to introduce Bill C-72, to amend the National Housing Act.

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

[*Translation*]

ATLANTIC REGION FREIGHT ASSISTANCE ACT

AMENDMENT RESPECTING ASSISTANCE TO TRUCKERS

Hon. Francis Fox (for the Minister of Transport) moved for leave to introduce Bill C-73, to amend the Atlantic Region Freight Assistance Act.

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

* * *

[*English*]

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) ASSISTANCE ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-74, to authorize financial assistance to be provided to certain international financial institutions.

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

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[*Translation*]

CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-75, respecting a Home Insulation Program for certain provinces in Canada.

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

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HOME INSULATION (N.S. AND P.E.I.) PROGRAM ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-76, respecting a Home Insulation Program for certain Maritime Provinces in Canada.

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

OIL SUBSTITUTION AND CONSERVATION ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-77, respecting oil conservation and the substitution for oil of other energy sources.

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

* * *

[*English*]

LABOUR ADJUSTMENT BENEFITS ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (for the Minister of Labour) moved for leave to introduce Bill C-78, to provide for the payment of benefits to laid-off employees and to amend the Canada Labour Code.

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

* * *

[*Translation*]

VETERANS' LAND ACT

MEASURE TO AMEND

Hon. Francis Fox (for the Minister of Veterans Affairs) moved for leave to introduce Bill C-79, to amend the Veterans' Land Act and to amend the Veterans Benefit Act in consequence thereof.

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

* * *

• (1520)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,298, 2,353, 2,354, 2,355, 2,356, 2,560, 2,591, 2,602, 2,603, 2,604, 2,606, 2,619, 2,620 and 2,621.

[*Text*]

Order Paper Questions

IGOR GOUZENKO

Question No. 2,298—**Mr. Cossitt:**

1. Was Igor Gouzenko recommended for the Order of Canada and, if so (a) on what date (b) was the award turned down and, if so, for what reason?

2. Does the government consider Igor Gouzenko to be a man who performed great and considerable service to the national interest of Canada?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Recommendations for the appointment of Canadian citizens to membership in the Order of Canada are made directly to His Excellency, the Governor General, by the independent advisory council of the order which is chaired by the Chief Justice of Canada. Any Canadian may make nominations for consideration by the advisory council. The whole process, which is conducted by the Chancellery of Canadian Orders and Decorations at Government House, is confidential. The government has no role in the nomination or selection process.

2. Yes.

FIRA—MURATA MANUFACTURING COMPANY

Question No. 2,353—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by Murata Manufacturing Company at the time of approval by FIRA?

2. For each year since the approval, did the company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on April 10, 1980, and the agency's annual review of undertakings commenced on or about April 10, 1981, but is not yet completed.

2. Not applicable.

3. Not applicable.

FIRA—AVCO CANADIAN ENGINEERING LTD.

Question No. 2,354—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by Avco Canadian Engineering Ltd. at the time of approval by FIRA?

2. For each year since the approval, did the company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on March 27, 1980, but Avco Canadian Engineering Ltd. has informed FIRA that they have not implemented their investment.

2. Not applicable.

3. Not applicable.

FIRA—BUTLER SERVICE GROUP INC.

Question No. 2,355—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by Butler Service Group Inc. at the time of approval by FIRA?

2. For each year since the approval, did the company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on March 12, 1980, and the agency's annual review of undertakings commenced on or about March 12, 1981, but is not yet completed.

2. Not applicable.

3. Not applicable.

FIRA—NOKIA PRODUCTS LTD.

Question No. 2,356—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by Nokia Products Ltd. at the time of approval by FIRA on March 28, 1980?

2. For each year since the approval, did the company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on March 27, 1980, and the agency's annual review of undertakings commenced on or about March 27, 1981, but is not yet completed.

2. Not applicable.

3. Not applicable.

MR. JIM ROCHE

Question No. 2,560—**Mr. Crosby:**

1. (a) Was Mr. Jim Roche described in the *Halifax Chronicle-Herald* of May 23, 1981, as "executive assistant to Transport Minister Jean-Luc Pepin" (b) does Mr. Roche hold a position in the Department of Transport and, if so (i) which position (ii) what are the qualifications for the position (iii) what qualifications does he have, such as a university degree or experience in the private sector or government?

2. Does Mr. Roche or any other non-elected officer in the Department of Transport or the government have authorization to announce legislative changes to be made to the National Harbours Board Act or to any other act of Parliament?

3. (a) Did the Minister of Transport instruct Mr. Roche to announce changes in the National Harbours Board Act, as reported in the *Halifax Chronicle-Herald* of May 23, 1981, (b) was Mr. Roche authorized by the President of the Privy Council or by any other cabinet minister to announce when amendments to the act would be introduced in the House of Commons?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1, 2 and 3. Mr. Jim Roche is executive assistant to the Minister of Transport and as such assists the minister as directed. Mr. Roche was appointed to his position following post-graduate education and service with a previous minister of transport.

DPW—DAY PERSONNEL ADVERTISING CONTRACT

Question No. 2,591—**Mr. Stewart:**

Did the Department of Public Works issue a contract in the amount of $150,000 to Day Personnel Advertising, Toronto, and, if so (a) were public tenders called (b) what services were to be provided (c) what was the name of each bidder and the amount of each bid submitted (d) what are the names of the principals of the company?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract to Day Personnel Advertising, Toronto, on behalf of the Department of Public Works, for an amount of $150,000.

(a) No.

(b) To purchase media space to meet the requirements of DPW for announcements to run at the end of April, 1981, and the beginning of May, 1981, and to place orders for space for announcements due to commence in June, 1981.

(c) N/a.

(d) Mr. A. Day and VOBCO Management Inc.

DEPARTMENT OF JUSTICE—CONTRACT WITH LE GROUPE DES COMMUNICATEURS

Question No. 2,602—**Mr. Stewart:**

1. Did Le Groupe des Communicateurs receive $280,000 from the Department of Justice for advertising services and, if so, what services were provided?

2. Were public tenders called and, if so, in each case, what was the name of the bidder and the amount?

Hon. J.-J. Blais (Minister of Supply and Services): 1. DSS awarded a contract to Le Groupe des Communicateurs, on behalf of the Department of Justice, for the amount of $280,000. The services provided were for the development of a creative concept, media information and rationales in support of program objectives as approved by the Canadian Unity Information Office.

2. No.

EMPLOYMENT AND IMMIGRATION CANADA—CONTRACT WITH WORDSMITH, OTTAWA

Question No. 2,603—**Mr. Stewart:**

Did the Department of Employment and Immigration award a contract in the amount of $15,300 for writing services to Wordsmith, Ottawa, and, if so (a) what are the names of the principals of the company (b) what services were provided?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract to Wordsmith, Ottawa, Ontario, on behalf of Employment and Immigration Canada. The total value of the contract was $15,300.

(a) The principal of the company is: Miss Tunder Nemeth, President.

(b) The contract was for the provision of editing, layout and final production of camera ready copy.

DEPARTMENT OF THE ENVIRONMENT—LEASING OF AIRCRAFT

Question No. 2,604—**Mr. Stewart:**

Did the Department of the Environment lease a Piper Aerostar 601A aircraft from Buffalo Airways for $68,277 and, if so (a) what was the duration of the charter (b) for how many hours over how many days?

Hon. J.-J. Blais (Minister of Supply and Services): A contract was awarded by DSS to Buffalo Airways Ltd., Fort Smith, N.W.T. on behalf of Environment Canada. The value of the contract was $68,277.

(a) The period of the contract was from May 25, 1981, to August 10, 1981.

(b) A minimum utilization of three hours per day for a total of 234 hours during the period of the contract (78 days).

DEPARTMENT OF THE ENVIRONMENT—CHARTER OF HELICOPTER

Question No. 2,606—**Mr. Stewart:**

Did the Department of the Environment charter an Astar 3500 helicopter at Schefferville, Quebec, from Sealand Helicopters Ltd. for $50,000 and, if so, what was the (a) duration of the charter (b) total number of hours over how many days?

Hon. J.-J. Blais (Minister of Supply and Services): A contract was awarded by DSS to Sealand Helicopters Ltd. St. John's Newfoundland, on behalf of the Department of Environment. The value of the contract was $50,000.

(a) The period of the contract was from June 15, 1981, to July 15, 1981.

(b) A minimum utilization of 75 flying hours during the period of the contract (31 days).

DSS—CONTRACT WITH SCOTTISH AND YORK INSURANCE CO., MONTREAL

Question No. 2,619—**Mr. Stewart:**

Did the Department of Supply and Services contract with Scottish and York Insurance Co., Montreal, in the amount of $651,000, for the provision of commercial insurance services and, if so, which chattels and/or persons were insured?

Hon. J.-J. Blais (Minister of Supply and Services): Yes. The contract was for the provision of insurance coverage for the personal effects and belongings of public servants, members of the Canadian Armed Forces and the RCMP transferred to other geographical locations in Canada.

DSS—CONTRACT WITH NORTHUMBERLAND GENERAL INSURANCE CO., EDMONTON

Question No. 2,620—**Mr. Stewart:**

Did the Department of Supply and Services contract with Northumberland General Insurance Co., Edmonton, in the amount of $651,000, for the provision of commercial insurance services and, if so, which chattels and/or persons were insured?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services awarded a contract to Northumberland General Insurance Co., Edmonton, Alberta. The value of the contract was $651,000.

The contract was for the provision of insurance coverage for the personal effects and belongings of public servants, members of the Canadian Armed Services and the RCMP transferred to other geographical locations in Canada.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—CHARTER FROM WOLVERINE AIR LTD., FORT SIMPSON

Question No. 2,621—**Mr. Stewart:**

Did the Department of Indian Affairs and Northern Development charter a Britten Norman BN2A-27 Islander aircraft from Wolverine Air Ltd., Fort Simpson, and, if so (a) for what purpose (b) for how many flying hours (c) over how many days?

Hon. J.-J. Blais (Minister of Supply and Services): A contract was awarded by DSS to Wolverine Air Ltd., Fort Simpson, N.W.T. on behalf of the Department of Indian Affairs and Northern Development. The value of the contract was $72,000.

(a) The contract was for the charter of one Britten Norman BN2A-27 Islander Aircraft based at Fort Simpson, N.W.T. to transport personnel, equipment and supplies for the detection and suppression of forest fires.

(b) As estimated utilization of 270 flying hours.

(c) The period of the contract was from May 16, 1981, to August 15, 1981, (93 days).

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 2,053, and 2,521 could be made orders for returns these returns would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that questions Nos. 2,053 and 2,521 be deemed to have been made orders for returns?

Some hon. Members: Agreed.

Order Paper Questions

[*Text*]

COMMUNITY SERVICES CONTRIBUTION PROGRAM

Question No. 2,053—**Mr. Lewis:**

1. What is the definition, under the Community Services Contribution Program, that Canada Mortgage and Housing Corporation uses for (a) soft (b) hard services?

2. Which of the following are soft services and which are hard services using such definitions (a) sewer (b) water (c) storms (d) social and cultural facilities (e) recreational facilities (f) neighbourhood improvements (g) municipal buildings (h) fire (*i*) housing?

3. If there are no definitions for hard and soft services under the program, what definitions does CMHC suggest are normally used for the terms?

4. What were the final allocations for (a) 1979 (b) 1980 under the program by (i) program year (ii) province (iii) type of project (iv) community receiving allocation (v) amount of contribution in dollars?

Return tabled.

CANADIANS HOLDING TOP POSITIONS AT UNITED NATIONS AND ITS AGENCIES

Question No. 2,521—**Mr. Fretz:**

How many Canadians hold top positions in the United Nations and in its agencies such as UNICEF, HABITAT, the World Bank, etc. and, in each case (a) what is his/her name and position (b) is he/she seconded, on sabbatical or a permanent employee (c) which department or non-governmental organization (NGO) does he/she represent?

Return tabled.

[*English*]

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Stevens: Madam Speaker, on a point of order, I was wondering whether the parliamentary secretary could indicate why we have not received a reply to questions Nos. 1,774 and 1,775 which were put on the Order Paper last November 20?

Mr. Collenette: Madam Speaker, I cannot give any specific reason at this point in time, but I will look into the matter for the hon. member.

Mr. Stevens: Again, Madam Speaker, I would ask the parliamentary secretary whether he can indicate why question No. 2,042, which was put on the Order Paper January 29, five months ago, has not been answered? It deals with the Prime Minister's December-January world tour and the expenses therefor.

Mr. Collenette: Madam Speaker, I have to give the same answer.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I should like to ask the parliamentary secretary whether he can give any indication when questions Nos. 1,548 and 1,557, placed on the Order Paper on October 6 and October 7, will be answered? The first relates to airport improvements at the Victoria International Airport, and the other relates to the exempt staff of the leader of the government in the Senate. Both are very simple questions I would have thought, particularly since the airport improvements are, I understand, almost terminated, and I am sure the exempt staff should be well known since the cheques are being issued.

Mr. Collenette: I will look into that too, Madam Speaker.

GOVERNMENT ORDERS

[*Translation*]

HOLIDAYS ACT

MEASURE TO AMEND

Hon. Francis Fox (Secretary of State and Minister of Communications) moved that Bill C-37, to amend the Holidays Act, be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Madam Speaker, before I begin my speech I would like to echo the remarks expressed in the House earlier this afternoon by the Prime Minister of Canada (Mr. Trudeau), the Leader of the Opposition (Mr. Clark) and the House leader of the New Democratic Party (Mr. Knowles), and extend my condolences to the family of Terry Fox.

[*English*]

I think we all know that Terry Fox's bravery and stamina have made an indelible impression on this country, and particularly on the youth of this nation. His deed and his name will live to inspire young Canadians. His courage knew no barriers and exceeded all bounds. I am honoured to have the opportunity on Friday to announce the opening of the Canada Youth Centre in Ottawa which will bear the name of Terry Fox. I can think of no name more appropriate for a Canadian youth centre than the name of a young Canadian who has shown so much courage and so much commitment to his country.

Some hon. Members: Hear, hear!

Mr. Fox: Mr. Speaker, I would now like to bring to the attention of all members of the House the importance of Bill C-37, to amend the Holidays Act. The bill, as we all know, received first reading on June 19, 1980, just a little more than a year ago today.

As hon. members of the House know, many attempts have been made over the years to change formally the name of that special national day on our calendar when we as Canadians proudly celebrate the founding of our nation.

I do not want to give a detailed legislative history concerning the subject, but I would like to point out that since 1966 some 22 private members' bills have been introduced concern-

ing the name of our July 1 holiday. This underlines the continuing interest shown by numerous members of Parliament and governments over the years in changing the name of our national anniversary to reflect more accurately our true sense of national identity.

An act of Parliament in 1879, 12 years after confederation, first established July 1 as a legal holiday under the name of "Dominion Day". The word "dominion" was the term which had been adopted at the time of confederation, some say at the suggestion of Sir Leonard Tilley, to refer to the union of the provinces of Canada, Nova Scotia and New Brunswick into one political entity. The term, as we all know, was taken from Psalm 72:8 "He shall have dominion from sea to sea". In fact, the choosing of that psalm in 1867 showed a degree of optimism. It was to take many more years, the building of a great railway and the influx of thousands of new citizens from other lands before Canada could truly reach *a mari usque ad mare*.

[*Translation*]

Mr. Speaker, the word "dominion" has always created problems for us and they are rather well known. According to Grolier's *Encyclopedia Canadiana*, and I quote:

> One of the difficulties it creates is that it has no satisfactory equivalent in French.

They indicate that over the past ten or twenty years people have had a tendency to avoid using it, opting instead for adjectives such as "federal" or "national".

Professor W. L. Morton shares that point of view. He states that "Dominion of Canada" is an historic expansion which does not mean much in English and even less in French when it is translated by "Puissance du Canada". According to Professor Morton, and I quote his translated opinion:

> Failure to define precisely—and with the required solemnity—what was in gestation, namely a new country in the British Empire, was at the source of much confusion in the minds of Canadians.

The word "dominion" was used for the first time in 1867 to designate Canada. Before that it had been used for Virginia, then a British colony, which was described as a former dominion. After the birth of confederation, the British were to use it to designate New Zealand in 1907. And in the Statute of Westminster of 1931, that word applied all at once to Canada, Australia, New Zealand, South Africa, the Irish Free State and Newfoundland. The word "dominion", which seemed appropriate at the time of confederation, has certainly lost some relevance with the passage of time. Canada has changed drastically over the past 114 years. The same thing goes for the way Canadians look upon themselves.

[*English*]

Little more than a century ago, Canada had just begun to take its first faltering steps as a sovereign nation. Canada's national identity was only beginning to emerge. Our evolution has been from a colonial entity, part of a great and far-reaching empire, to a mature nation, a mature nation assuming an important place within the family of nations. We have, indeed, come a long way from what Sir John A. Macdonald referred to as "a subordinate kingdom in the empire". Even that great empire from which we grew has itself evolved. Today that empire has become a Commonwealth of Nations, each equal in status.

• (1530)

This evolution, with respect both to Commonwealth members and to Canada in particular, has been a natural and progressive process. Moreover, a necessary part of this process has involved the reappraisal of the various symbols of our nationhood in order to ensure that such symbols properly reflect our attitudes and collective sense of identity as a sovereign and mature people.

Since the end of World War II Canada has steadily moved away from the word "dominion". This has not been motivated, as some may suggest, by a rejection of our heritage. Rather, it has been a manifestation of our need for a more modern and, perhaps more accurate description of our national self. Today Canadians see themselves not as citizens of a dominion—with its suggestion of control, dominance and colonialism—but as citizens of a proud and independent nation, Canada.

Some hon. Members: Hear, hear!

Mr. Fox: Consequently, it is time, after 114 years of nationhood, to adopt for ourselves a truly Canadian day on which to celebrate, together, the anniversary of our nation's birth.

The name for this day must surely reflect the true nature of our collective identity. It must reflect the self-image which, I am sure all hon. members will agree, is already deeply and securely entrenched in the consciousness of today's Canadians. It must reflect, in a formal way, the consensus which exists across this land, reaffirming who we are and what we have become.

The annual observance of Canada's national day is a relatively recent phenomenon. Between 1868 and 1958 our national day was celebrated on precisely three occasions—once in 1868, again in 1917 marking the fiftieth anniversary of confederation and again in 1927 on the occasion of the sixtieth anniversary, or diamond jubilee, of confederation.

[*Translation*]

Since 1958, Canada's national holiday has always been celebrated on Parliament Hill, except in 1976, when there were no great festivities to mark that day, even though there was a citizenship award ceremony. So we can say that since 1958, we have always celebrated our national holiday.

[*English*]

It has now become customary throughout Canada to talk of July 1 as "Canada Day". Indeed, the words "Canada Day" are used by literally millions of Canadians in all parts of the country in referring to our national day.

I think it would be fair to suggest that the word "dominion" means very little to present generations of Canadians to whom colonial days are past history. This is not a reflection on the words "Dominion Day" or on that honourable and historical

title, "Dominion of Canada". The phrase "Dominion of Canada" has been a proud and worthy appellation but, as the Montreal *Gazette* said in an editorial on March 10 of this year, and I quote:

> The word "dominion" does have a secure and honoured place in Canada's history. But not all historical labels remain accurate; this one certainly has not.
>
> At the time of confederation the word "dominion" was hit upon as a new coinage to describe a country which was not, in fact, a sovereign state (as Canada was not in 1867).
>
> But for the past 50 years Canada has been, in all but a narrow constitutional technicality . . . a truly independent nation. It should not retain a label which was coined to describe a colonial link.
>
> Furthermore, "dominion" is not nearly as felicitous a word in French as in English. For French-speaking Canadians it is a verbal oddity which serves mainly to inflame old colonial wounds.
>
> It is time to retire "Dominion Day" gracefully in favour of a name of July 1 which surely no one can find objectionable, Canada Day.

Surely it is time to call our national day by the name by which this country is recognized at home and abroad—Canada. Such recognition is in keeping with the growing sense of national consciousness shared by all Canadians.

Once again the Parliament of Canada is called upon to act on behalf of all citizens of this nation to change the official designation of Canada's most important national holiday. Will this call to action be answered, as in the past, by indecision? Will 1981 be added to the long list of dates whereon recognition of our national identity was once again proposed and once again denied? In proposing that the Holidays Act be amended to change "Dominion Day" to "Canada Day", Parliament is asked for no more than formalization of the consensus on this matter which already exists among the vast majority of the people of Canada.

Undoubtedly there will be some Canadians who will question or will even oppose such a change. It was not that long ago that similar concerns were voiced when proposals were brought forward to give Canada its own truly Canadian flag. Yet in the relatively brief period since its adoption by Parliament in 1964 our flag has become a proud and universally cherished symbol of our national identity.

On July 1, 1980 we proclaimed "O Canada" as our national anthem. Hon. members will agree with me that the adoption of national symbols is part of our growth process as a nation. The year 1981 could be the year we decide to make more relevant that one day of the year on which we celebrate the anniversary of Canada's birth.

This bill is representative of the pride we have in this great country called Canada. It is symbolic of the hope we have for the future of the Canadian people, the future which will be built by Canadians for Canada. It is fitting, therefore, that the special day on our national calendar when we Canadians proudly celebrate not only the founding and past of our nation but also the strength of its future should be called "Canada Day".

Undoubtedly there will be some hon. members who will speak in opposition to this bill.

Mr. Neil: You bet.

Mr. Gamble: You can count on that.

Mr. Fox: Hon. members opposite say, "You bet". Their party has spoken of constitutional change and wants constitutional change to take place in Canada by consensus, but the refusal of some hon. members to make even the most minute change, such as changing the words "Dominion Day" to "Canada Day", is a clear indication of the attitude of some hon. members opposite which would see any kind of evolution in this country paralysed. I know that is not the general attitude of hon. members opposite, but it surely is the attitude of some.

I call upon all hon. members of this House to act, hopefully by giving approval to the proposal that henceforth July 1 be known and celebrated with pride by all Canadians as "Canada Day".

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I listened with a great deal of attention to the fitting and appropriate opening of the speech of the Secretary of State (Mr. Fox) a few moments ago when he referred to Mr. Terry Fox, but I express a sense of true sorrow that in the latter part of his speech he departed from that magnificent view he has of a person who was a magnificent Canadian and sullied that view by an attempt—I think in the wrong way—to raise a sense of partisanship about an issue which is important to the country.

At the outset let me say that I associate myself completely with the words of the Prime Minister (Mr. Trudeau), the words today of the Leader of the Opposition (Mr. Clark) and the words of my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), about the importance to our country of the contribution which has been made by Mr. Fox to that sense of togetherness as a nation for which we all continue to strive. I applaud wholeheartedly and without reservation the steps the government has taken to establish in the name of Mr. Terry Fox a youth centre here in the national capital. I join with every Canadian in recognizing the appropriateness of Mr. Fox being named a member of the Order of Canada.

When the news of his death came on Sunday morning, it occurred to me that there was a sense of grief shared in this country in the same way and to the same degree that there was a sense of joy at his undertaking and the great success of his undertaking. It was grief over his being removed from this earth when he had made a contribution larger than anyone could make after a full life. Canada's birthday on July 1 will be dulled somewhat by the fact he will not be here to celebrate it with us.

● (1540)

That brings something else to mind. He has demonstrated, I think in a very humane, direct and understandable way, the importance of the concept that this country is greater than the sum of its parts, and that there is a depth of humanity, courage and determination in ordinary Canadians that sur-

prises us all from time to time. As Canadians we have a great duty to treat everything, including national symbols and their creation, with respect. I hope that will be the spirit of this debate as we talk about an important symbol, a name for a day.

I do not agree with Professor Morton who, in effect, said Dominion Day is only an historical term, with emphasis on "only". To many Canadians it is much more than that. I do not agree with those who say that the 22 private members' bills over the years, given the way they are dealt with in this House, is a way for us to consider and determine absolutely, without reservation, that the time has come to act. I intend to speak about that a little later.

However, the government has brought in a bill, the first time since I have been here that this matter has been dealt with as a government bill, and I intend to deal with it that way. The bill before us prescribes a change in the name of our national holiday which the government and many Canadians would like to see. Equally so, it is a change many Canadians do not want to see. This difference of views is one which the Parliament not only should but has a duty to consider carefully. We are not debating a law in the ordinary sense of defining a code of justice or a standard of behaviour; we are judging the patriotic response Canadians give to the long standing and legal name of our national holiday, Dominion Day, as contrasted with the proposed name Canada Day.

I believe that before we make this change the government must satisfy the House that the overwhelming majority of Canadians will respond enthusiastically. They must show there will not be millions of Canadians who will feel they were irrationally robbed of the benefits of an imaginative compromise reached by the Fathers of Confederation in 1867. It will not be enough to say that we are simply confirming current usage.

We all know the promotion of the change is government policy, and the name-in-waiting has been vigorously pushed through government usage and ad campaigns. Dominion Day is never mentioned. All around us the government's propaganda machine talks of Canada's day and sometimes, very daringly, of Canada Day.

We might ask: Why bother about the bill at all? The government has abandoned Dominion Day without legislation. Perhaps the legal change will save money by eliminating the need for a yearly advertising campaign. It is really right that the name Canada Day, reasonable as it may seem as a name for Canada's day, should be imposed by the government and its advertising? Must the answer to that question inevitably be yes? If it is to win the hearts and minds of Canadians, should it not emerge from Canadians themselves? Is it really proper to adopt the name by executive decision in majority vote without consulting Canadians themselves? Is it proper to drum it into the Canadian people as an accomplished fact by lavish advertising, and then introduce a bill on the pretence that everyone seems to want it anyway? Symbols of nationalism should emerge from the people. We should be sure that Canadians want this change before we impose it on them. Is it unreasonable to be sure before we act, Mr. Speaker?

According to the government the change is desirable for three reasons. First, Canadians use Canada Day all the time anyway. I suggest that even if Canadians feel uncomfortable with Dominion Day, it is reasonable to ask if a spontaneous cry has gone up for Canada Day across the nation. It is reasonable to suspect instead that it is part of a government inspired larger pattern over the past 15 years of putting "Canada" in front of, behind and on top of every agency, body, function or activity of government in this country.

An hon. Member: What is wrong with that?

Mr. Baker (Nepean-Carleton): Second, we are told it is perfectly natural to name the national holiday after the nation. Well, it may be natural but, oddly enough, it is not common around the world. I did a survey among Commonwealth nations. I have to tell my friends that Australia has called their holiday Australia Day since 1901. Apparently they have no hang-ups over that; it is their tradition.

However, New Zealand called their day Waitangi Day, or New Zealand Day synonymously. Quite a controversy surrounding the day has arisen in New Zealand because it commemorates the ceding of Maori lands to the British on February 6, 1840. The native people are very sensitive to the symbolism and the land issue there. When they tried to change it to New Zealand Day there was a great deal of protest. The preference of the majority is for Waitangi Day.

India has two national holidays. They call one Independence Day, August 14; and Republic Day on January 26, commemorating their constitution. In Nigeria, October 4 is National Day and it has never been called anything else. If you go to Great Britain, it is not called England Day, English Day or even United Kingdom Day. It is called St. George's Day. That happens to be a holiday when they do not close the shops or anything like that but they celebrate the great tradition of St. George. There is another day there called the Queen's birthday. It is not a holiday but it is celebrated on the closest Saturday to the Trooping of the Colour ceremony. So, Mr. Speaker, if the Secretary of State's argument is that it is traditional, I have to say with respect that he is wrong.

Then thirdly, Mr. Speaker, we are told that "dominion" conjures up the wrong spirit among Canadians, that there is something wrong with the word. There maybe something in that, and I will return to it in a moment. There are some good arguments for calling July 1 Canada Day. Whether or not the demand for the change is spontaneous, which I doubt, it is not inevitable that a country's holiday should bear the name of the country.

● (1550)

I have mentioned St. George's Day and the Queen's birthday. In France it is Bastille Day; in the United States it is Independence Day. There is a reason for those names. Each of those names in those countries evokes a moment of glory or a decision from the nation's past. It is a reason for a celebration.

To say U.S. Day, England Day or France Day, would tell us nothing except that people are more likely to be at the beach than at home. Should we not consider whether Canada Day, instead of being inevitable and obvious, is perhaps somewhat sterile, neutral and dull?

An hon. Member: And plastic.

Mr. Baker (Nepean-Carleton): Perhaps plastic. I wonder whether we have not finally satisfied the national mania for playing cute name games with the name of our country and threatening to kill our reverence for it by overuse. Things used to be described as they were. Now we sacrifice description in favour of making the obvious point that this is Canada. Obviously this is Canada.

We are no longer content to refer to the Department of Transport, the Bureau of Statistics or Dominion Day. It must be Transport Canada, Statistics Canada and Canada Day. I suspect somebody will bring in a proposal which will shock the hon. member for Winnipeg North Centre; they will call this place "Commons Canada". The hon. member for Mount Royal will be very fortunate if he does not become "Canada Prime". Perhaps the Secretary of State will become "Canada Sect State". I am glad he smiles. Let us seriously think for a moment whether we have not had enough of this cloying, homogenizing cuteness. Let us assume this year that we are Canadians and start describing things as they are.

It may be that the term "Dominion Day" leaves many Canadians unmoved or puzzled. We all know its origins in the Seventy-Second Psalm, as the Secretary of State said, and of Sir Leonard Tilley's imagination in choosing it as a replacement for the unacceptable word "kingdom", as part of a compromise at the beginning of the country in 1867. If we look at the meanings of "dominion" in the Oxford English Dictionary, we can see the problem. There are six different definitions, including one referring to its incorporation in key statutes here in Canada.

Mr. Evans: Read them.

Mr. Baker (Nepean-Carleton): I will. The first one is:

> The power or right of governing and controlling; sovereign authority; lordship, sovereignty; rule, sway; control, influence.

This is the word "dominion" about which I am talking.

Mr. Fox: What is it in French?

Mr. Baker (Nepean-Carleton): There is here a sense of someone controlling something. Since we do not wish to celebrate being controlled, obviously this definition is not the relevant one. The second one is:

> The lands or dominions of the feudal lord.

This is unsuitable unless we accept the Prime Minister as a feudal lord. Perhaps some hon. members opposite accept him as a feudal lord.

Mr. Epp: A funeral lord.

Mr. Baker (Nepean-Carleton): Some would wish that he would be accepted as a funeral lord. The other part of that definition reads:

> The territory owned by or subject to a king or ruler, or under a particular government or control.

This is obviously our sense of the word as Canadians. In fact the Canadian usage is the prime modern example given by the Oxford Dictionary for this meaning. This is how we use it, as Oxford defines it. The other meanings listed are: "ownership, property; right of possession" and "domination". I think they are also unsuitable.

Reading the usage of the word in the Oxford English Dictionary drives home a number of points. First, the word is no longer in common usage in most of its meanings. Second, most of the meanings refer to domination rather than freedom. Third, for its usage in the Canadian sense, Canada itself is listed as the example. It would not be surprising if many Canadians were unsure of the appropriation of the word as a description of a free and independent nation of the twentieth century. It ought not to surprise any of us.

Does it follow that our use of an unusual word should be ended? When Sir Leonard Tilley chose that word, he did what most of us do every day as politicians. He racked his brains and pulled out a word which allowed the Fathers of Confederation to reach a compromise. Perhaps it was the final compromise of three years of colonial diplomacy leading to confederation. It was a compromise which has not lost all of its validity, even if the word is more out of the ordinary now than it was then. It nicely describes our government as one grounded in the traditions of constitutional monarchy but separate and free. It recalls the Christian-Judean tradition which underlies the faith of our ancestors and much that is worth preserving in our present culture. Not least, its usage is identifiably Canadian. As a description of the legal and emotional basis of Canada, the word "dominion" has had meaning for Canadians for over a century.

The government would like us to believe that this is a simple housekeeping issue. Well, it is not. Hon. members opposite would have us believe that the name "Dominion Day" has no merit at all and that "Canada Day" is the natural replacement. I have tried to show why I believe the issue is not quite that simple. I wish it was, but it is not. Dominion Day may be confusing or outdated to some Canadians.

Mr. Evans: Obsolete.

Mr. Baker (Nepean-Carleton): Or obsolete to some Canadians, as my hon. friend says. But whether or not hon. members opposite like it, it is rooted in the history and traditions of Canada. Canada Day may appear patriotic and inevitable, but it does not tell us what it is about our country or its history that we are celebrating on that day. We are not celebrating the name; we are celebrating something much more profound. We are celebrating a concept.

A former member of the other place, Senator Eugene Forsey, said it best in a speech to the Men's and Women's Canadian Clubs of Edmonton on June 19, 1956. I think these

comments are worth while for every Canadian to remember when they are talking about the concept of what is embodied in Dominion Day or Canada Day, indeed in the country. The question put was: What do we celebrate? He answered it this way:

> Dominion Day celebrates one of the greatest feats of modern history: the making of a new nation, and a new kind of nation, by a handful of people of differing origins, differing languages, differing creeds, differing histories and differing interests, and in the face of obstacles that might well have daunted the boldest and most resolute statesmen. Everything was against them. The country was huge; most of it was empty; the Americans were pressing in upon the territories of the Hudson's Bay Company, threatening to cut off the new Dominion from any expansion West or North. There was hardly any industry: manufactured goods came overwhelmingly from Britain, and to central Canada for five months of the year through American ports, so that at any moment the Americans could strangle the economic life of Ontario and Quebec.
>
> Central Canada and the Maritimes knew little of each other, and many Maritimers feared "Upper Canadian" domination. Communications were poor: there was no railway from the Maritimes to central Canada, and, what was worse, the main central Canadian railway, the Grand Trunk, came in from the United States and went out into the United States. If the Fathers of Confederation had followed their economic interests, there would have been no Confederation. They would not have gone to Charlottetown, and from Charlottetown to Quebec. They would have gone to Washington, and asked to be let into the American Union.

Then something happened which he describes as "A Supreme Act of Faith". He said:

> Confederation was a supreme act of faith, faith that defied geography, defied economics, defied the "manifest destiny" of the Americans to rule the whole continent from the Rio Grande to the North Pole.
>
> Faith in what? In something beyond economics, beyond the material; faith that the British North American colonies had a heritage worth preserving, worth developing, worth paying an economic price for; faith that on this rock our people could build a great nation, part of a great Commonwealth.
>
> We sometimes forget two of the basic things that mark Canada off from every other country in the Americas. First, she is the only American nation which has deliberately chosen not to break with its past, both French and British. The most important thing for Canadians about the American Revolution is that we refused to have anything to do with it. We deliberately chose to keep our roots and draw nourishment from them. Confederation reaffirmed that choice.

I believe in the spirit of those words. We owe it to the Canadians whom we represent to proceed thoughtfully. There is no need for sudden deadlines. Canada will be around, we all pray, for a long time.

● (1600)

This is not the first time the symbols of Canadian identity have been debated in this House. Perhaps we can learn a bit from the past debate. Even those of us who were not here at the time remember the anger and the acrimony of the flag debate. It all started reasonably sanely, with a committee examining several possibilities. At one time a flag was emerging. It had two blue bars and a red maple leaf. However, the emerging consensus was lost.

A second committee recommended the present flag and it was imposed by the government. It is not worth arguing as to whether our present flag is completely entrenched in our consciousness, but it is clear that in its early history a great deal of hostility had to be overcome, not just from those who preferred to salute the old flag, but from those who wanted the first new flag. Canadians have come to accept the maple leaf but not without a large commitment of funds for free flags, pins and advertising.

We have just finished almost all of the Constitution debate. Again a package has been imposed. Again many feel our best constitutional and legal traditions have been needlessly violated. Once again the public is being bombarded with advertising, to persuade it not only to embrace, but to demand, the new order. Even if the Supreme Court finds the package barely legal, lawyers will be fighting over the constitutional provisions for a generation.

Now Dominion Day is to become Canada Day, not by emergence or consensus, but by contentious legislation backed by clever advertising.

Next year, July 1, 1982, we could see the most absurd evidence of this wrongheaded approach to forging a national identity. On Canada Day, a name approved by this House over the objections of millions of Canadians, our national flag, created by this House over the objections of millions of Canadians, will be raised to salute our new Constitution—perhaps certified as barely legal after being guillotined through Parliament.

Is this creative nation-building? Is this the stuff of pride, partiotism and inspiration? Or is it the stuff of cynicism, manipulation and force?

Mr. Evans: It is the stuff of Parliament.

Mr. Baker (Nepean-Carleton): The hon. member opposite interrupts, but I will ignore him as usual. One paradox which may even strike the hon. member opposite if he is alert is that at next year's celebration the crowds will be singing our national anthem in two entirely different languages, with the English-language singers struggling to remember changes made in the wording of a song accepted in its old version for 50 years, and the other language group singing the version used for generations. But no one will be bitter; no one will feel frustrated and ignored.

Why? Because when we confirmed "O Canada" as our national anthem on June 27 last year and made some wording changes, we concluded a process which has been open and deliberate, a process which had been going on for a great many years involving this institution, and I think rightly so. That is why that bill passed last year in the way in which it did. That is why we had that marvellous ceremony on the Hill last July 1—because the evolutionary approach to national symbols had been utilized by the government. I pray it uses it with respect to all symbols.

We drew explicitly on the unanimous recommendations of a committee which reported on February 16, 1968, only three years after the destructive and acrimonious flag debate. Canadians had been heard. They agreed with the changes. There was little dissent and there is no bitterness. Every one of us who was here on that Friday afternoon rose and sang together, each in his own way, in his own language, but with the same feeling, the national anthem which had been proclaimed on that day. That is the model of co-operation we

should look to. Our symbols of common nationhood should not be conceived in controversy and preserved to remind us of our quarrels. They should emerge from the spontaneous sentiment of Canadians and remind us of our common triumphs as a peaceful and productive people.

I suggest that this bill should not be passed—not right away, at least. We should send the subject matter to a committee, listen with respect to the views of Canadians, and then debate a new bill based on our conclusions. We may, after consideration, decide that we want "Canada Day". We may see the link to our history in "Dominion Day". We could opt for "Confederation Day" or "Dominion of Canada Day" or any other name evocative of a proud moment in our history.

I think it is important that we do this, and do it in the right way, having regard to the best traditions which we have established in this Parliament, the culmination of which took place prior to July 1, 1980.

I feel so strongly about the evolutionary approach to the development of national symbols that I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the motion be amended by deleting all the words after "that" and by substituting the following therefor:

"Bill C-37 an act to amend the Holidays Act, be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Communications and Culture."

It is important that we begin this process and carry this process the right way. I think this suggestion that I have made will satisfy most that the Parliament of Canada will not act precipitously, but, rather, will gather unto itself the views of Canadians so that we can have, at some day in the reasonably near future, the same kind of celebration and the same kind of proclamation with respect to the name which we would apply to July 1 in each year as we now use with respect to the National Anthem. This is the course of wisdom. I grant you, Mr. Speaker, it is not the course of speed, but it is the course of wisdom.

Some hon. Members: Hear, hear!

● (1610)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words today in support of changing Dominion Day to Canada Day. I do so by reflecting back a number of years ago and thinking of the words which were said in this House by the Conservative House leader, that we need an evolutionary approach toward changing national symbols. I happen to agree fully with the leader of the House for the Conservative party that we need an evolutionary approach. We need a national consensus. We need input from Canadians. We have to democratize this institution and other institutions of Canada so that ordinary people will have their voices heard.

I was speaking earlier this morning about that issue through the House leader of my party, the hon. member for Winnipeg North Centre (Mr. Knowles). He reminded me that in the year I was born 1946, or perhaps 1947—

An hon. Member: You are not sure when you were born?

Mr. Nystrom: —an hon. member of this House, a Mr. Côté from the riding of Matapédia-Matane, introduced a private member's bill to the House of Commons requesting that we change Dominion Day to Canada Day. Does Your Honour know what happened with the private member's bill some 35 years ago? It was passed by the House of Commons.

Mr. Knowles: All three readings.

Mr. Nystrom: All readings in the House were passed by the House of Commons.

Mr. Knowles: All in one day!

Mr. Nystrom: As the hon. member for Winnipeg North Centre says, they were passed all in one day. Not only was the bill passed, with a few members perhaps objecting verbally as it went through, but it was passed unanimously, with all members of the Conservative party, the Liberal party, the CCF party in those days, the Social Credit party, supporting unanimously the private member's resolution to change the name of Dominion Day to Canada Day.

Does Your Honour know what then happened? The democratic process ended in the Senate and the Senate said "no" to changing the name of our day from Dominion Day to Canada Day.

An hon. Member: Let us put Walter Baker in the Senate.

Mr. Nystrom: We had democracy thwarted in the Senate of Canada some 35 years ago.

I fully endorse the evolutionary approach to national symbols enunciated by the Tory opposition leader today. However, I think we have had that process. We went through all stages, except for the archaic Senate, in 1946 or 1947. I think that ever since then the overwhelming majority of Canadians I have met anywhere in the country have said to me, "Why do we not come into the modern era and change the name of our national day to Canada Day?" On behalf of our party, I want to plead strongly that cause with my friends in the Conservative party.

Some hon. Members: Hear, hear!

Mr. Nystrom: I also want to say that I recognize that some people, a very distinct minority of people in this country, now feel very strongly about Dominion Day, because Dominion Day for many people in this country symbolizes a link to the British past and to the British Commonwealth. I can say, as half of my family background came from England back in the early part of this century, that for many people that link is very important. I think a link has to continue with Britain and with the British Commonwealth. However, I believe we can do that in many other ways. I believe that changing the name of the day would not sever that relationship which is so important to many Canadians. I think that what it would do instead would be to allow Canadians of British ancestry to feel proud of Canada, along with people of French Canadian ancestry and people who come from other countries of the world which have no historic ties with either Britain or France. I believe it

is very important that all of us unite around this symbol, and this symbol is Canada Day.

I listened with interest as well to the House leader of the Conservative party when the spoke about "Why Canada Day?" In France, it is "Bastille Day", and not "France Day"; in Britain, it is "St. George's Day", and so on. I found his argument very interesting, except that I have searched my mind for an alternative but I do not really see any alternative. I fear that perhaps someone might want to call it "Constitution Day" at some time.

An hon. Member: "Trudeau Day".

Mr. Nystrom: "Confederation Day" was mentioned. One Liberal across the way mentioned "Trudeau Day". However, I think of all those alternatives. The only one in which there is a broad consensus across Canada is calling it Canada Day to symbolize the country from coast to coast.

Much has been said about the contribution which was made to this country by Terry Fox, his courage and vision. This was referred to as well both by the Secretary of State (Mr. Fox) and the opposition House leader. I want to associate ourselves with that courage and vision which Terry Fox showed Canadians. I think he showed us a number of things; but one thing he showed us in his Marathon of Hope, the run from Newfoundland to British Columbia which, of course, he had to abandon about two-thirds of the way across the country, is that Canada is bound together by some pretty strong threads, and that we are all Canadians. Even though we are diverse and we have our disagreements, we are still all Canadians. I think that in honour of people like Terry Fox, the rest of us should stop arguing and bickering once we reach a major consensus, and at least agree very quickly on the bill which is before the House today.

The other thing I wanted to say, in conclusion, is that symbols are very important. The national flag of this country is very important and the National Anthem of Canada is very important. I think the name of Canada Day will be very important. However, even though these symbols are very important, it is crucial that we also try to define for ourselves what Canada really means. What kind of a country are we? What kind of a country do we want to become?

In the past our pioneers did very well in creating a country which was basically open, free and democratic. In doing this, they often sailed against the tide, they climbed many long hills, and many people fell by the wayside during those struggles. We have to pick up the torch of many of these pioneers and look back at what they practised. What they practised, when they spoke about Canada and dreamt about Canada, was a country which was built on co-operation, on sharing, on freedom and on democracy. What we should be doing in the future is instilling some of those principles in the Canada of tomorrow. Because I do not think we can build a Canada if we are going continuously to have confrontation after confrontation between various governments and regions. We have to recognize that this country is immensely diverse, that we can cherish that diversity, that we can have harmony in that diversity, that people are different one province from the other, and that in the modern world of today people are proud of their differences and their diversity.

In the modern world today people will be expecting to have more control over their own lives and to have a more democratic Canada—I mean that in the true sense of democracy—because I believe that in this country Parliament, or this government, and many other institutions are becoming less and less democratic. People are having less and less input over their lives. I think people are now demanding that they have more meaningful input over the direction of their country, that there be more localized democracy, that people's differences be allowed to flourish.

• (1620)

Are those differences we are developing a unique state called Canada? We are not the great melting pot the United States is to the south of us. We are not trying to create one Canadian from coast to coast who is similar and speaks the same language, who eats the same food, who goes to bed at the same time every night and who practises the same culture. We have to be proud of our differences, and we have many, many differences.

As well as being proud of our differences and diversities, when it comes to co-operation we have to learn more from the past and from our pioneers. Co-operation built this country in the early days. It was a dream of people working together. It did not matter whether they spoke the French language or the English language. Later on people from many lands, with diverse backgrounds co-operated in building a great state. We have to apply that principle to some of the complex problems that we are facing today, such as revenue sharing, energy and constitution building. These are the things that will cause us a great deal of strain in the next few years to which some of these principles should be applied.

Lastly I want to mention the principle of sharing. This country was also built on sharing. My own province of Saskatchewan in the 1930s and 1940s was almost bankrupt. Many of the things that were accomplished then were accomplished, in part, because of the sharing we had in this country. For example, we had an equalization plan, a Crowsnest Pass rate agreement which helped farmers to sell their grain at lower costs, and a Canadian price for oil so we could get a better price for the oil we produced. Some of these things helped to build my province and helped to build the west.

In the Canada of tomorrow, I think we will have to remember that we must continue to share so that we have equality of conditions in each and every province and each and every region. If we can do that, if we can recognize our diversity, allow it to flourish and to grow, then I think there will be less friction and fewer suspicions. If we can co-operate and work together, recognize that we are multicultural and a bilingual country, and combine that with a real sense of wanting to share things so that we can use some of the new found wealth in western Canada to help the Newfoundlanders and perhaps use some of the wealth that is still in Ontario to help people in

the Atlantic provinces, then, in the long run, all of Canada will benefit.

Finally, we should be putting more emphasis and stress on making all of our institutions truly democratic so that Canadians from all walks of life have a real input into what Canada should be. If some of these things could be done, then perhaps some of the visions and the courage which Terry Fox had would, in the future, be rewarded with actual legislation in Canada.

Yesterday I happened to hear an open-line show which was discussing the impact Terry Fox had on this country. Many people said positive things about his courage, his determination, his spiritual and emotional strength. But one lady really summed it up by saying that this is all fine and well, but if we really want to do something for his memory, then legislators in this country should do something to solve some of the causes that he stood for.

I believe that in this House we can resolve some of the problems he stood for. We can do a lot more to bring Canada together and to unite this country. We could be putting more funds into things such as cancer research and aid to the disabled than we are. We could be building a Canada of hope for the future where everyone, regardless of one's background, would have a much fairer chance at an equal and happy life.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, may I also commence my remarks by adding my own word of distress at the news of the death of Terry Fox. If I can coin a phrase from my comrades in the legion, it is that "we shall not forget".

I am very proud to have the opportunity to speak today in support of Bill C-37, an act to amend the Holidays Act. This is a bill to officially entitle July 1 "Canada Day". Is it not strange that we should be debating such a bill 114 years after the original July 1 when our great country of Canada was born? I must admit that I always found it strange that July 1 could be called by any other name but Canada Day.

The House leader of the Official Opposition when speaking on this bill said there is no need for sudden deadlines. He said the bill should not be passed, not right away at least. He stated that we should not act precipitously. The Conservative party is, as usual, trying to have the best of both worlds. The Conservative party will not let the bill pass, but it will try to stay onside by suggesting that the subject matter be sent to a committee. In the nine years that I have been a member of this House, we have done just that, but to what avail? Let me put on the record today some of the events that have taken place.

As I said, I found it strange that we could designate July 1 by any other name but Canada Day. On October 15, 1974, I tabled Bill C-231 in this House for first reading. That bill came up for debate on March 14, 1975. At the end of the debate on March 14, 1975, the subject matter of the bill was referred to the Standing Committee on Justice and Legal Affairs. That bill was essentially the same bill as the one we are debating today, a bill to name July 1 Canada Day.

On October 14, 1975, the then secretary of state, the Hon. James Hugh Faulkner, said, as reported in *Hansard* at page 8158:

> The government feels that the majority of Canadians accept the terminology Canada Day/Fête du Canada.

The subject matter of Bill C-231, to which I have referred, came up for discussion in the Standing Committee on Justice and Legal Affairs on Tuesday, February 24, 1976. Unfortunately, the opposition did not see fit to let a report come back to the House of Commons.

We tried again. On October 22, 1976, I introduced Bill C-373, an act to amend the Holidays Act, again in an attempt, if possible, to designate officially July 1 as Canada Day. That one did not go very far.

On December 21, 1976, the secretary of state introduced Bill C-30, with exactly the same intent. That bill was entitled "an act respecting certain holidays".

Still carrying on in the same effort to achieve one small step for Canada, we tried again on October 30, 1978, when we introduced Bill C-232, with exactly the same objective. The bill was entitled "an Act to amend the Holidays Act". This bill came up for debate on November 30, 1978. If I can quote one sentence from my remarks, as reported in *Hansard* at page 1669, I said:

> —what this bill seeks to do is regularize a situation which for all practical purposes is a *fait accompli*. In most parts of the country the July 1 holiday is at the present time designated Canada Day.

Bill C-232 arrived in the Standing Committee on Labour, Manpower and Immigration where it was debated on March 7, 1979. At the end of the debate it was finally reported back to the House. We now seemed to be making some progress. On March 13, 1979, one week later, in this House, I moved:

> —that Bill C-232, to amend the Holidays Act, as reported (without amendment) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

That motion was agreed to, whereupon I then moved "that the bill be read the third time and do pass". Debate followed and members of the Official Opposition talked out the motion so that it could not be brought to a vote. So much for our House rules.

● (1630)

We tried again on May 2, 1980, when we inroduced bill C-201, an act to amend the Holidays Act. I wrote a note to the Secretary of State (Mr. Fox). I quote:

> Attached is a copy of Bill C-201, an act to "legalize" the terminology "Canada Day". This Bill has been introduced in every Session in the last several years and has always been "talked out" by a half dozen Conservative MPs who are vehemently opposed to the change.
>
> It should be recognized that even a government Bill brought before the House to achieve the same objective, cannot expect to be passed without closure or lengthy debate.
>
> It is an example of the power of a very small minority that is able to block the passage of legislation that can obtain all-party support and would pass a House vote with an overwhelming majority.

It is appropriate today to recall some of the comments over the years in our nation's press. On June 29, 1963, a lead

editorial in the *Pembroke Observer* was entitled "Wanted: A new name for Canadian birthday". A July 2, 1963, Kingston newspaper states: "There is nothing wrong with the term 'Canada Day' ". An article in the April 29, 1970, *Globe and Mail* was entitled "Canada Day title tops in poll". I quote from that article:

—president of Canada Jaycees told a press conference ... that Edmonton residents polled were 90 per cent in favour of Canada Day—

I quote from the October 6, 1969, Regina *Leader-Post*:

—the Saskatchewan Jaycees ... are trying to get the national holiday renamed Canada Day.

An article in the April 15, 1970 Toronto *Telegram* asked the question in the leader "Why not Canada Day?". I quote from that article:

We ... have our own flag, also a national anthem ... so why not a distinctive name for our birthday that no longer reflects filial piety for Britain?

On June 30, 1970—

[*Translation*]

—in *Le Devoir* under the title *Next year, Canada Day.*

Then I read:

A private bill introduced in the Commons proposes to call this day Canada Day. This year, as before, Canadians will take advantage of this day to play golf, or to take to the parks, the beach or the road.

[*English*]

A week later in the July 6, 1970 Montreal *Gazette* reference was made to the attempt in 1946, which was referred to by the previous speaker, to change the name. I quote from the article:

Since then, a number of MPs have tried their hands at a Canada Day bill ...

... this year—or next—things may be different.

I quote from the May 5, 1972, Montreal *Gazette*:

Canadians will probably celebrate the upcoming July 1 as "Canada Day" for the first time in the nation's history.

We can always live in hope. On May 5, 1972—

[*Translation*]

—in *La Presse*, July 1st would be Canada Day.

[*English*]

An article in the May 8, 1972, Ottawa *Citizen* was entitled "Make it Canada Day". In the July 15, 1972, *Financial Post* there is a reference in the lead to Canada Day celebrations. Not to forget the newspapers of my own constituency, the April 24, 1975, *News & Chronicle*, an English newspaper in my constituency, carried an article headlined "Pierrefonds plans Canada Day". So it is abundantly evident that the press has long since accepted the terminology Canada Day.

I would like in my brief remarks to make reference to a document entitled "Canada Day: A Conception, an Approach and a Proposal". This document was prepared for the Department of the Secretary of State by Betty Weinstein, Ruben Nelson and Paul-Emile Lamy. It is dated October 30, 1979. I wish to quote from it briefly.

We recommend ... as ... basic principles ... Canada Day belongs to Canadians ... not to ... governments ... Canada Day (should) be an occasion for Canadians to enjoy themselves and have fun by participating in recreational, popular, cultural and community activities ... Canada Day (would) be non-ideological ... non-partisan and non-political.

In the recommendations we read:

The Government of Canada should undertake to create a Canada Day organization—

Canadian TV stations should broadcast entirely Canadian programming on July 1.

Canadian radio stations should broadcast a larger percentage of Canadian music on July 1.

Radio Canada International should present special programming on Canada Day.

Popular events should be organized on the Hill and throughout the country.

Canadian embassies and consulates should give a simple reception for Canadian citizens on the morning of July 1.

The National Museums should hold an open house on July 1 and use the occasion to make the work of Canadian artists known.

Early in the last great war I came to Canada to train as a pilot. After the war I returned with my family to settle in Canada. I chose Quebec. Despite all the economic and social turmoil in Quebec today, I do not regret that original choice and would very happily make the same decision again today. I am very proud to call Quebec my province. I am especially proud of the very warm reception that I always receive in the constituency of Vaudreuil, the region of Canada which I represent in this House. However, being a proud Quebecer makes me no less proud to wear a flag of Canada pin, to wave our Canadian flag, to sing our national anthem "O Canada" and to speak out loudly of this country, Canada, that surely is the finest country in the world in which anyone can live.

It saddens me that members of the official opposition try to hang on to the past instead of building with pride for the future. Fortunately their attempts to continue our colonial status are already doomed to failure. Those who hang on to their antiquated memories can talk out this bill, but I in company with a huge majority of the 24 million persons who proudly call themselves Canadians will sing loudly and proudly their national anthem "O Canada" on Wednesday of this week, July 1, 1981, Canada Day.

● (1640)

Some hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Mr. Speaker, in rising to comment on Bill C-37 I want to associate myself first of all with the comments by all speakers today regarding the courage of Terry Fox. I think one aspect of his life that has not been mentioned sufficiently in this House was the fact that not only was he a person of great courage and spirit, but he reflected very clearly in the last period of his life the deep faith he had which sustained him. I think it is also important in terms of the young people of Canada that this young person could express very clearly his faith in God and was able to express that faith to the whole world.

When one relates this bill to the situation in Canada today one might ask whether this is the right period of time to change the name from Dominion Day to Canada Day. On the one hand, with the constitutional debate that has been going on in the country over the last year or so one might argue that

this is an auspicious time to do this, that it is a natural follow-up to the year's activities. On the other hand, one might ask whether it is the natural thing to do in view of the fact that the whole constitutional question is still in limbo, in doubt and before the Supreme Court.

One thing we can say is that Canadians, unhappily after this last year, are more divided in terms of the symbols of the country than when we started this year. There is no doubt about that. So I question whether at this stage it is auspicious for us to add more to the whole concept of change in terms of our national institutions, symbols and our Constitution.

Let me say to the hon. member for Vaudreuil (Mr. Herbert) that I found it rather interesting that he talked about the rules of this House and that it said so much for the rules of this House that a member of the opposition had talked out previous bills. I think if the hon. member looked at this record honestly he probably would find he is the record holder in this House for talking out private members' bills, and I question whether he was being very sincere when he said the bill had been talked out and derided the very rules he has used so adequately and so well in the past. Maybe he applies this only to his own bills and not to other private members' bills.

What is before us today is how we preserve from the past which is best, and how we also prepare plans and take steps to create in Canada the symbols needed for the future? Is there a happy middle ground for those two views? I am sure all members of this House would agree that our symbols are to be those that best reflect the Canada of today. In order to best reflect the Canada of today those symbols and words must also have a bearing on the past. In other words, a symbol cannot stand in isolation in an immediate time-frame; a symbol must also have its sustenance in, and have been built on, the foundation of the past.

What worries me about this bill is not necessarily what it purports to do but the manner in which it purports to do it. That is, if you are not for the bill somehow you might be against Canada, you are against change or you do not want national institutions changed. At least as I view the bill, that is not the question that is before us, but rather how do we best preserve that which has been and build for the future. That is the issue. It is for that reason I believe, with all respect to the Secretary of State (Mr. Fox) that his motivation for the bill is wrong. I have no question about his sincerity in wanting to change Dominion Day to Canada Day.

An hon. Member: You don't understand the bill.

Mr. Epp: Just a minute. Let me finish and I will read it to you. If you have a few minutes I will tell you all about it.

The motivation of the Secretary of State is clearly spelled out in both his speech today and the press conference he has given as carried by the Canadian Press. The changes he wants are related to this statement: "We are no longer a colony of the British empire". That is the motivation. In other words, anything that might smack of the past, by natural extension, is colonial. Therefore everything we change in this House is valid, new and relevant. I reject that kind of thinking.

I do not believe that because something has been preserved over many years it is, first of all, obsolete. Second, I do not believe that people can look to the future without looking back as well. In Roman times there was a two-headed, two-faced figure.

An hon. Member: A Conservative.

Mr. Epp: He might have been a Conservative, and if he was I give him credit because he was successful. The point of the symbol was this. He both looked to the past and to the future, which indicates there can be no future without having looked to the past. That is the issue I want to relate to today.

When one looks at the Canada of 1864, and even before then—

An hon. Member: Get up-to-date.

Mr. Epp: If you want to speak and the Prime Minister (Mr. Trudeau) and the House leader give you time, you should rise on your feet. I am sure it would be a new experience for you.

Canada in that period of time had many small isolated communities clinging basically to the 49th parallel. In addition, it was a country made up of people who had vision for the future and wanted to create the country on the basis of the experience they had either in the old countries or in this country. That is the kind of people they were.

The word "dominion" in itself is not a word that should be denigrated in this House. It should not have any demeaning connotations put to it such as I have heard today. It should not be regarded as colonial. I do not understand why members would feel that word is negative. Most of us who obtained our education in this country were given a very special sense of pride. When we saw a map of Canada with the countries around it shown in various colours, the one colour Canada generally had was red and across it was printed "The Dominion of Canada".

An hon. Member: Liberal red.

Mr. Epp: It might have been Liberal red, if that makes you feel better. What made me feel good was that it was a Dominion of Canada that belonged to all of us. Having said that, I do not know why that attitude should necessarily be thrown in the ash can today.

The Canada of that period was a Canada under attack. In the United States the argument of manifest destiny was very strong. It was an attitude that saw the United States expand its territory to the Pacific, both through war and through land acquisition.

● (1650)

In 1858, twelve years before Manitoba, with a population of 11,000, became known as the postage stamp province, a resolution was passed in the Minnesota state legislature indicating a desire by the legislators of that period to annex Red River. There were other places in this country which went through that same type of turmoil during that period of time.

With respect to the name chosen for our country, if we read the journals of that period we find there was much debate on what the name should be. Should it just be "Canada"? Should it be the "Kingdom of Canada"? The resolution finally proposed the "Dominion of Canada".

It has already been stated here that Psalm 72:8 was the basis. I want to dwell on that for a minute because not only is it found in Psalm 72:8 but the ancient prophet Zechariah also spoke of the same words and uttered the same words. The name had a very religious meaning to the people of that period of time. It was felt that He, not the Prime Minister of Canada and not even the Monarch in the same sense, was to be supreme and sovereign. He should have dominion from sea to sea and from the river to the ends of the earth. No matter how much people want to denigrate that, that remains part of our history.

I for one do not believe we as people or as legislators do service to the present generation or future generations by hanging crepe over the word and saying it does not apply or that it is colonial and that therefore we must end its use. I do not think we serve ourselves or future generations by doing that.

The sovereignty which is inherent in those verses was important not only for religious reasons but also for political reasons. I want to deal with that for just a minute. I say openly that I am indebted to Senator Eugene Forsey for much of the material to which I am going to refer. My House leader also referred to it. I will not quote it, but I believe Senator Forsey—some 25 years ago, in fact—put forward some very cogent arguments as to why Dominion Day had meaning. First, I believe the words "Dominion Day" had a religious connotation; and if we are people who believe that faith does not change and principles do not change, then that principle still remains today and is still valid today. That is the first point.

Second, the material pointed out to everyone that the Fathers of Confederation felt that Canada had a manifest destiny. While we might have gone about it in a way different from that of our American friends to the south, we also had a manifest destiny, and that manifest destiny was also to create a dominion. From how far to how far? From sea to sea. We did it through means other than those used by our American friends. We allowed provinces in. My own province comes to mind. Because of its area and economic base one might have said it was not yet qualified to become a province in 1870. However it was allowed in. Why? Because the Fathers of Confederation knew that if the manifest of the Canadian people was to be realized, they would have to bring in these colonies and make them feel part of the dominion.

I say with a great amount of pride that I believe that the concept of dominion from sea to sea went even further in the time of the Right Hon. John Diefenbaker, not because he was a member of the party I support but because I think Canadians generally recognized that he developed that concept one step further. He developed it to the northern sea. We were a people who had our manifest destiny, and it was as valid as the manifest destiny of those to the south of us.

There was another reason why the word was chosen. The Fathers of Confederation wanted a constitutional form of government similar in principle to that of the United Kingdom. Perhaps it is here that I have the greatest difficulty with the argument of the Secretary of State. The reason I have difficulty with his argument is not because of his sincere desire to want to change the word and because he feels that "Canada Day" better reflects Canada today. What it seems to be based on is that the principles we inherited from the United Kingdom somehow have not served us well. I say they have served us well.

Some hon. Members: Hear, hear!

Mr. Epp: If we believe this country is bilingual and therefore say that that is valid to preserve, and if we go further and say that this country is multicultural and therefore it is valid to preserve those cultures, then why is it suddenly not valid to preserve a basic culture which has been so influential not just in this country but right around the world? If one takes a look at a constitution which is to be similar in principle to that of the United Kingdom, where better can we reflect it than in this Parliament or in the parliamentary system? Surely all members of this House, regardless of what background they come from, will argue with every breath they have that this is the best system under which we can serve the people who elect us. Surely there are defenders of the parliamentary system in this House who will argue that this is the best system.

Oh, yes, there might be a need for change, and I have a few changes in mind myself.

Mr. Fox: You have to be kidding. There is no need for change on your side.

Mr. Epp: However, if someone wants to argue that this system and the principles on which it is founded are wrong, yes, he will have arguments from me and many others as well.

Mr. Fox: Come on, don't change anything.

Mr. Epp: There was another reason that the word "dominion" had importance for the Fathers of Confederation. Over this last year we have been arguing in the constitutional committee, in this House and across the country about the balance between the powers needed by a federal, national, central government and the powers of a province or the provinces. In the United States an argument developed for a long period of time over the so-called concept of states' rights, namely, that the individual states had exclusive powers and that they would simply devolve certain powers to the central government for the benefit of the entire nation.

The word "dominion" in Canada had another concept. The Fathers of Confederation wanted a strong national government. Residual powers would remain with the federal government, and I have always been a believer in that. The Fathers of Confederation understood and knew that if the federal

government did not have certain powers, that string of colonies hugging the 49th parallel not only would be faced with threats from the south but also would not have the cohesion needed to develop a country stretching from sea to sea.

As I read the journals, in the minds of the Fathers of Confederation the concept of dominion was important because of the states' rights argument they were hearing and also so that a feeling could be developed within the consciousness of the people across 3,000 miles that there was a central government which had over-all power in those areas in which it had been granted by the British North America Act.

• (1700)

There is another reason I believe it was important. That is the matter of a constitutional monarchy. The word "dominion" also had effect regarding the monarchy. I am concerned, Mr. Speaker, when I hear members opposite say, both in private conversation, in the newspapers and confirming it in committees that I have sat on, that they would like to see the monarchy abolished in Canada. That might not be a view held by everyone, and I am sure it is not. However, I believe they would also agree—I will not mention names today —that there are members on that side—

Some hon. Members: Name them.

Mr. Epp: —who very clearly have said—

An hon. Member: That is a smear.

Mr. Epp: No, it is not a smear. They have said very clearly in the press that within two years of the passing of the Constitution that they would be able to—

[*Translation*]

Mr. Fox: Mr. Speaker, we are discussing a bill which, in fact, could be summed up in two lines. The bill proposes to change the name of the July 1 holiday, as found in the Holidays Act, from Dominion Day to Canada Day. The hon. member, on the other hand, is talking about the abolition of the monarchy in Canada, which is certainly not the topic under discussion today. I would ask the Chair to call the hon. member to order.

The Acting Speaker (Mr. Ethier): Order. As we have indicated on various occasions and as pointed out by hon. members, I was waiting to hear the remarks of the hon. member to see if they had any bearing on the bill before the House. Generally speaking, if I understand his arguments correctly, the hon. member is afraid that if this bill is passed, further steps could be taken in that direction. Those are the remarks I have heard, and that is why I should like to hear the hon. member further.

[*English*]

Mr. Collenette: Mr. Speaker, I am not sure whether this is a question of privilege or a point of order, but clearly the remarks of the hon. member for Provencher (Mr. Epp) contravene the House rules as laid out in Beauchesne's Citation 316. A few moments ago he imputed bad motives to members on this side to the effect that some on this side wanted to do away with the monarchy. I would remind you that according to Citation 316(*g*) it is also out of order for any member, while speaking, to—

—use the Sovereign's name for the purpose of influencing a debate;—

I think it is very shameful that the hon. member for Provencher is breaking the rules of this House by bringing in the Sovereign's name and imputing bad motives to members on this side as to their views on the constitutional monarchy.

Mr. Baker (Nepean-Carleton): Mr. Speaker, on a point of order, it is a very interesting citation because it says:

Besides the prohibitions contained in S.O. 35, it has been sanctioned by usage that a member, while speaking, must not:

(*g*) use the Sovereign's name for the purpose of influencing a debate;—

What the hon. gentleman was referring to, of course, was the institution of the monarchy. It is interesting, Mr. Speaker, as you know, that the same rule provides in paragraph (*b*) that he must not—

—refer to any debate in the Senate—

Early today I heard the hon. member for Winnipeg North Centre (Mr. Knowles), the oracle of Delphi, refer to a private member's bill which had been debated and dealt with in a rather unceremonious way in the Senate. The Chair, quite rightly, did not call the hon. member to order because he wanted to continue the debate. This is hardly a point of order either, and I suggest, with respect, that the Chair might dispose of it in the same way.

The Acting Speaker (Mr. Ethier): I think hon. members wanted to express their differences on the manner in which the hon. member for Provencher (Mr. Epp) expressed himself, but I cannot find a point of order on this matter.

Mr. Epp: Mr. Speaker, I regret the members opposite do not know their members better, or their attitude and views.

An hon. Member: We know you better.

Mr. Epp: However, I am sure that if they were to ask the hon. member for Lac-Saint-Jean (Mr. Gimaïel), he would be able to confirm the quotes that have been in the papers.

Mr. Collenette: On a question of privilege, Mr. Speaker. The hon. member for Provencher has mentioned the hon. member for Lac-Saint-Jean (Mr. Gimaïel) directly, and I would like to reserve the right to have the hon. member for Lac-Saint-Jean raise a question of privilege at a later date. I will draw these remarks to his attention.

The Acting Speaker (Mr. Ethier): The parliamentary secretary's remarks are well taken.

Mr. Epp: Mr. Speaker, I find it rather interesting that the members opposite feel that as long as one is referring to the word "dominion" they think we are not referring to the bill. Maybe they do not like the argument, and they can hold that

position, but we are talking very specifically about what the word "dominion" itself means. I said that I feel the constitutional monarchy in this country is not only to preserve but to enhance. I believe also that, for many of us whose background is neither French nor English, it has been the constitutional monarchy which has enabled us—

The Acting Speaker (Mr. Ethier): Order, please. After hearing the previous arguments, I would ask the hon. member to convince me that he is referring to the bill before the House. I was listening to the hon. member with the thought that he was saying that if we do adopt this bill we would eventually be trying to abolish the monarchy. I think he is now debating it as if we had before us a bill to abolish the monarchy. That is not before the House, so I would invite him him to speak on this bill.

Mr. Epp: Mr. Speaker, it is not my intention to speak on that issue. It is my intention to show why the word "dominion" itself, which I believe is part of this bill—in fact, if you want me to read through it you will find the word is not mentioned. It is headed "An Act to Amend the Holidays Act". What I am saying to you, Mr. Speaker, and to all members, is that the institution of a constitutional monarchy in this country has been a means of continuity and preservation of rights. That is the point I was trying to make and I would think, Mr. Speaker, you would agree that that is not only very much a central part of this bill, but a central part of the whole concept of the day we are sharing.

Mr. Fox: Nonsense.

Mr. Epp: Mr. Speaker, what they want to do and have been trying to do for some period of time is to change our Canadian institution and argue that anyone who is against the change they want to make is not truly Canadian.

An hon. Member: That is a pretty broad brush.

Mr. Epp: That is a broad brush, and I meant to use it because the fact remains that they feel their concept of the country is the valid one and all others are less than valid. When one takes a look at the change the government is proposing, they will argue, to some degree rightfully, that the majority of Canadians are in favour of the change. However, if you use that argument, the majority of Canadians are also not in favour of the process the government has used for constitutional change. However, that does not stop them.

The Parliamentary Secretary to the Minister of Justice (Mr. Irwin) says they are in favour of a charter. So am I and so is my party, but there is still a valid process which Parliament demands. So, Mr. Speaker, I suggest to the Secretary of State that I believe we and Canadians would be well served if this bill were to be taken to a committee for a specific period of time—

Mr. Fox: Let's adopt it. Second reading and let's go.

• (1710)

Mr. Epp: For instance, we could use one of the proposals and call it—

An hon. Member: Let's follow the route; let's give it second reading.

Mr. Epp: My House leader has very clearly said what the route will be; we can go that route.

Some hon. Members: Oh, oh!

Mr. Epp: Mr. Speaker, they can make as much fun as they want or feel that a majority is always right, but the Secretary of State and Canada would be well-served if we used some period of time in committee to look at whether or not the procedure is the best we can use and whether we would use an appellation for July 1 in such a way as to preserve the past. Let us not reject simply that which has been good in the past.

And hon. Member: Let us take it to committee.

Mr. Epp: I hear the hon. member saying that we should take it to committee. That is what my House leader said. This will happen, but obviously we have the right to put the views of our constituents on the floor of the House. This is what I have done. I ask the Secretary of State to consider the manner in which he is proceeding. I believe it is wrong and is not in our best interests.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Carleton-Charlotte (Mr. McCain)—Employment—Summer works program—Request for extension of application date deadline; the hon. member for Laval (Mr. Roy)—Aviation industry—Manpower training—Negotiations between government and industry; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans affairs—Appointment of full time minister—Decentralization of department.

GOVERNMENT ORDERS

[*English*]

HOLIDAYS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Fox that Bill C-37, to amend the Holidays Act, be read the second time and referred to the Standing Committee on Communications and Culture, and the amendment thereto of Mr. Baker (Nepean-Carleton) (p. 11042).

The Acting Speaker (Mr. Ethier): The hon. member for Laurier (Mr. Berger).

Mr. Epp: Mr. Speaker, I rise on a point of order. I apologize to the hon. member for Laurier (Mr. Berger). I used the name of the hon. member for Lac-Saint-Jean (Mr. Gimaïel); I attributed those remarks to the wrong person. I want to withdraw them and to apologize. The person who made those remarks was in fact the hon. member for Shefford (Mr. Lapierre).

Mr. Collenette: Mr. Speaker, just to set the record straight, I take notice of the remarks of the hon. member and reserve the right of the hon. member for Shefford (Mr. Lapierre) to raise a question of privilege.

Mr. David Berger (Laurier): Mr. Speaker, in starting my comments I, too, should like to pay tribute to Terry Fox. Earlier today the Prime Minister (Mr. Trudeau) expressed how all Canadians feel about his accomplishments and contribution to our country. The only fitting tribute, as was indicated in several newspaper editorials, that Canadians could render to him would be to double our efforts in an attempt to find a solution to the terrible disease which cost him his life.

The bill before us seeks to replace the name "Dominion Day" with the words "Canada Day".

[*Translation*]

In French, today's bill would substitute the words "fête du Canada" for "fête du Dominion".

[*English*]

It is with great pleasure that I take this opportunity to suggest why the proposed change in the name of our national holiday is not only fitting but also profoundly significant.

I should like to stress three points in my comments. First, the word "dominion" has an ambiguous meaning, both legally and even in dictionaries.

[*Translation*]

Second, since the word "dominion" has no French equivalent, the act overlooks or ignores one third of Canada's population.

[*English*]

Third, I stress the necessity to have symbols, holidays and institutions in Canada to which all Canadians can relate.

I should like to turn to the matter of the ambiguous meaning. The word "dominion" has a time-honoured place in our nation's history, dating from the birth of confederation. The hon. Secretary of State (Mr. Fox) and other speakers referred to this today. The name was suggested, as we are told in the history books, by Sir Leonard Tilley as an alternative to "kingdom" and was taken from the Seventy-second Psalm:

> He shall have dominion also from sea to sea—

This line will always have special significance for Canadians. The phrase "from sea to sea" conveys perhaps better than any other the pride we feel in our vast land, yet the word "dominion" has an ambiguous meaning. In 1921, Prime Minister Lloyd George asked the British House of Commons:

> What does Dominion Status mean?

He was speaking on a motion that the House approve the articles of agreement for a treaty between Great Britain and Ireland signed on December 6, 1921, in the opening words of which the following was stated:

> Ireland shall have the same constitutional status in the Community of Nations known as the British Empire as the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, and the Union of South Africa.

Mr. Lloyd George said that it was difficult and dangerous to give a definition. Indeed, he explained that at an imperial conference held earlier in the year all the dominion delegates had been anxious to avoid a rigid definition.

I see the hon. House leader of the official opposition is returning to his seat. I hope he pays some attention to my remarks because I think some of my points have significance.

Mr. Baker (Nepean-Carleton): Lloyd George knew my father.

Mr. Berger: As I was saying, Lloyd George indicated in the British House of Commons in 1921 that it was difficult and dangerous to give a definition to the words "dominion status". Also he explained that at an imperial conference held earlier in the year all the dominion delegates had been anxious to avoid a rigid definition. They had felt that to define precisely was "not the way of the British Constitution". Mr. Lloyd George continued:

> Many of the Premiers delivered notable speeches in the course of that Conference, emphasizing the importance of not defining too precisely what the relations of the Dominions were with ourselves, what were their powers, and what was the limit of the power of the Crown. It is something that has never been defined by an Act of Parliament, even in this country, and yet it works perfectly.

I suggest to the House leader of the official opposition that this is fine for constitutional lawyers, but a country such as Canada needs something which is more precise and has more meaning for its national holiday.

● (1720)

These quotations were taken from a book by K. C. Wheare, "The Statute of Westminster and Dominion Status", published in 1942. I do not intend to get into a long discourse on the meaning of "dominion status". Suffice it to say it was the term used to describe the constitutional position of the territo-

rial communities known as the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland. In his book Wheare attempts to define dominion status and the significance of the Statute of Westminster in that definition. However, in the final paragraph of his 303 page study he wrote:

It is doubtful whether the Statute has succeeded completely in the first of the tasks which, in the words of the King's Speech in 1931, it was intended to perform—"to make clear the powers of Dominion Parliaments".

That question is very much an unsettled one today.

The House leader of the opposition said that on July 1 we celebrate a concept. I take issue with that. Yes, dominion status is a concept. The extent to which the federal and provincial governments have powers in relation to the mother parliament is a concept. But Canadians need more than that when it comes to our national holiday. We need more than a concept; we need something about which we can all be proud. I suggest to the hon. member that it is hard for Canadians who are not so familiar with our constitutional past to feel pride in a concept, to get their teeth into it and to get their minds and souls into a concept.

Some references were made by the House leader of the opposition and by the hon. member for Provencher (Mr. Epp) to remarks made by Senator Eugene Forsey. With all due respect, I suggest to those two hon. members that they are out of touch with reality. How many Canadians read Senator Forsey?

Mr. Baker (Nepean-Carleton): A great many, my dear friend.

Mr. Berger: The hon. member answers "A great many". I suggest to him that perhaps he has talked to many high school graduates in his constituency lately. I have talked to many high school graduates and many grade school students in my constituency. It is sad to say that many of them—most of them—are lacking in a knowledge of Canadian history.

Mr. Munro (Esquimalt-Saanich): It is not Senator Forsey's fault.

Mr. Berger: That is correct, it is not Senator Forsey's fault. However, that is something which was not provided for in the Canadian Constitution of 1867. There was no provision for any kind of basic instruction in Canadian history. There was no provision for the Government of Canada to have any input whatsoever into the curricula of our schools. However, the sad fact remains that many young Canadians are not steeped in Canadian constitutional history, nor are they steeped in the origins of Canada by any stretch of the imagination.

[*Translation*]

I also mentioned the fact that the word "dominion" has no equivalent in French. According to the Robert dictionary, "Dominion" means domination or power, and I quote:

Each one of the states, now independent, which makes up the British Union and whose foreign policy was inspired by the United Kingdom.

[*English*]

I suggest to members opposite that any young Canadian who looked into a dictionary and saw this definition, which is in the *Le Dictionnaire Robert*, which says that Canada does not have control over its external policies, would be gravely misled. Nevertheless, this is the definition in a Canadian dictionary which is in use and which is sold in many provinces today.

[*Translation*]

Mr. Munro (Esquimalt-Saanich): That is a French dictionary.

[*English*]

Mr. Berger: The hon. member opposite says—

[*Translation*]

—a French dictionary, but the fact remains that that dictionary is used in most schools. Perhaps it will be found on the table before us today. It can be found in most bookstores in Quebec. Indeed, anyone looking up the word "Dominion" in one of those dictionaries to find out its meaning will have absolutely no idea whatsoever of its current meaning with respect to Canada.

[*English*]

That is the problem. The problem is that the word is fine to constitutional lawyers. The word is fine to parliamentarians who have time to reflect on the matter. However, it has no precise meaning for the vast majority of Canadians who do not have the leisure time to reflect upon great matters such as this.

The thrust of my remarks has been directed toward the necessity to have in Canada symbols, holidays and institutions to which all Canadians can relate. Not so long ago I felt that the Canadian lack of national pride was perhaps our greatest redeeming quality. The displays of emotion for flag and country as favoured by our neighbours to the south often seemed excessive to the more reserved Canadians. However, at the present time when our country is marked by division and lack of communication I feel that we need symbols to which all Canadians can relate. This is a point which I do not feel has been adequately considered by members opposite.

[*Translation*]

Mr. Speaker, I think there is an urgent need to define our country, to provide common symbols, especially in my riding of Laurier, in Montreal East, which spans St. Lawrence Boulevard, where East meets West. The national issue is urgently felt there. We put up a hard fight during the referendum campaign. Maybe that is something members opposite are not aware of, but I can tell you that the Canadian flag played a major role in our referendum victory, as Prof. Gérard Laforest pointed out so well before the Joint Committee of the Senate and the House of Commons on the Constitution when he said, and I quote:

Where do you think we would be if during the referendum there had not been a distinctive Canadian flag? Would you have seen those who favoured staying in this country, in Quebec holding up the Red Ensign everywhere?

He also added, and I quote:

I think we very deeply need symbols in this country.

● (1730)

[*English*]

Again, Mr. Speaker, I do not feel that the hon. members of the official opposition realize the war that we are waging today, at this very minute, for the hearts and minds of Quebecers. I can refer to an article which appeared in *Le Droit* last October 28, 1980, in which the newspaper pointed out that Quebecers, more than other Canadians, realized that the first of July was Canada's birthday. However, the study also revealed that Quebecers participated less actively than other Canadians in the celebrations for Canada's birthday. This may perhaps be the result, or the natural result, of having another important holiday, la Fête Nationale du Québec, which precedes it by only one week. The fact is that la Fête Nationale du Québec was just celebrated in Quebec with a budget of over $3.5 million. This coming week, we will be celebrating Canada's birthday with a modest budget of several hundreds of thousands of dollars. I am talking about this on a provincial level. I do not think that hon. members opposite realize that particular point.

We parliamentarians here should look to the one-third of Canadians who are of neither British nor French origin. When I say one-third of Canadians, I feel that the figure is probably a lot greater than that. The hon. Leader of the Official Opposition suggested that the government should wait and that it must satisfy the House that the overwhelming number of Canadians would be satisfied with this change prior to embarking upon it. He suggested that the decision should emerge from Canadians by some sort of magic.

I would suggest that the hon. members opposite have no concept of leadership, that they have no understanding of the fact that the Parliament of our country should try to set some sort of pace for the nation and not get too far ahead of it, as I think it has been said, but perhaps take a lead to show the way. It is quite obvious that they have no conception whatsoever of the importance of leadership and the importance of showing the way to other Canadians in matters of our national government. They would have us wait until the matter emerged from Canadians by some sort of osmosis. They would wait until people right across the country got up and started walking up and down the streets crying out for such a matter. I would suggest that if governments waited that long to act in any matter, there would be very little activity conducted in the affairs of any nation.

As I said previously, I would suggest to hon. members opposite that they again look to immigrants for the answer. I would like to point out to them a couple of facts. First of all, an element which characterizes my riding, in addition to its dualistic nature, is the fact that every month I receive in my office, a list of at least 100 new citizens. I would like to read out the names of some of them on the most recent list: Mrs. Ourania Voudouris; Miss Sok Than Ang; Mr. Mbang Bousso Hadji Ngarmorio; Mr. Kailesh Hasmukhabhai Gopalbhai and Mrs. Leontina Maria Varao Macedo. I suppose I should apologize to the people whose names I have read out, because of my pronunciation. I do not know any of these people and it is likely that I did not do great justice to the pronunciation of their names. The point I wanted to stress is that every month in my constituency there are 100 people like the five people whose names I have just read out. Every month across Canada there are probably 10,000 Canadiens who become new citizens and who are looking for Canadian symbols to identify with, and who are unfortunately, not aware and have no way of being aware of the fractured history which has preceded their arrival. For these people, the word "Canada" was and is the magic word.

[*Translation*]

Canada for them is a magic word. As Naim Kattan so rightly said in "L'Arrivée":

Canada! That was the magic word that stirred in us feelings of expectation and hope as well as of worry and anguish.

[*English*]

I think that this House should recognize these facts and that it should recognize that the greatest thing we have in common amongst us as Canadians is Canada. It is an international word. It is a word which is recognized all over the world, in all countries and in all languages. I would suggest that it is a word which is entirely appropriate to our national day.

Some hon. Members: Hear, hear!

Mr. Berger: This July 1 let us really celebrate Canada Day!

Some hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, I too want to rise in my place today and speak both in favour of Canada and against Canada Day. We have had some interesting presentations here this afternoon. We have heard from the minister himself. I was disappointed to think that a minister of the Crown, the Secretary of State (Mr. Fox) who is in charge of communications, could not give us a better research document than he did on the history of the words "Dominion Day" and on why we should attempt to change it. I thought that we could have had a better explanation from him. His colleague, the hon. member for Vaudreuil (Mr. Herbert) chose to give us a long litany of the bills which have been brought before the House and have been turned down for one reason or another. He then went on to give us a list of the newspaper headlines, going back many years, in which Canada Day was being proposed. Again, he made no attempt to look into the history of the words "Dominion Day" and why some of us feel the name worth preserving. I thought my colleague, the House leader of my party, took a very fair approach. He looked at this concept of changing the name from Dominion Day to Canada Day and decided that it deserved some discussion by parliamentarians, something we have not had a chance to discuss in that fashion before. The hon. member is proposing that we amend this motion before the House so that the subject matter will go before a committee, with which I certainly agree.

• (1740)

I thought the most telling speech that we have heard so far today was given by my colleague, the hon. member for Provencher (Mr. Epp). He gave an incisive analysis of the origins and the meanings of Dominion Day going back to 1867 when our forefathers and those who had reason to do so chose a name for this country. The hon. member for Provencher explained in a very logical way why they chose the words they did. The proof of his logic was shown by the effect he had on government members who intervened as much as they could because they were embarrassed, I would suggest, by some of the arguments which the hon. member for Provencher used.

I want to congratulate the hon. member for Laurier (Mr. Berger). I think he made an attempt to go into some of the early meanings of the naming of July 1. He gave his view for the reasons for change.

A piece of paper was passed to me from one of my colleagues opposite a few moments ago. The hon. member for Gaspe (Mr. Cyr) handed me a definition from a French language dictionary. In this dictionary the word "dominion" is described as being an English word. This just goes to show why we have some of the problems we do in our schools. It is obvious that we have a French dictionary which tells us that the word "dominion" is an English word, and yet I can show my hon. colleague that the word is actually a French word, preserved by the English language back in the time of the King James version of the Bible. Prior to that, "dominion" was a French word. However, I will get the appropriate quotation for my colleague. It is interesting to hear the different views one can get on issues like this.

As we all know, Dominion Day is the correct, legal and official designation of July 1, as three acts of Parliament have already determined in the past. Today, with Bill C-37 and the amendment before us, we are asked to formally change the name from Dominion Day to Canada Day. Yet it is worth noting that the government has for some years now been using the appellation Canada Day and not Dominion Day in its press releases and commercials in advertising our national holiday. In short, the government has deliberately been breaking the law of the land by unilaterally, and without debate, changing the name of Canada's birthday from Dominion Day to Canada Day. There is no moral or ethical excuse for the government breaking the law of the land.

The name of former senator Eugene Forsey has been mentioned several times today. I think it is appropriate that he has been mentioned because he is the one person who has given some serious thought to the meaning of the words "Dominion Day". As most of us know here, he was a former research director for the Canadian Labour Congress. He was also a former Liberal senator. He is one of the foremost authorities on Canadian constitutional law, in spite of what my colleague from Laurier has said. Former senator Forsey, said:

—parliamentary responsible government rests on the rule of law. The government must not break the law, anymore than the ordinary person,—or rules of Parliament, anymore than your ordinary member. Majorities are not enough: they must be majorities acting within the law, within the rules.

There is no denying that "Canada Day" has crept into popular usage in this country, and it is often used interchangeably with "Dominion Day", but what we are being asked to do with Bill C-37 is to make the formal change and discard a uniquely Canadian term Dominion Day forever and ever. I say this is a mistake and I have yet to see or hear a compelling or convincing argument for this change.

Bill C-37 is to erase Dominion Day from the books. In short, it attempts to turn our backs on our history, cast away our beginnings, our heritage, our tradition. Some would say that we are starting anew but, in my mind, you cannot have progress without continuity, nor continuity without progress.

A well known Canadian historian, Michael Bliss, has said:

Canadians are a people who remember their present and think it's their history.

Certainly, this is true of this government. On December 21, 1976, the then secretary of state introduced a bill into the House of Commons. It proposed, among other things, to change the name of Dominion Day to Canada Day, and Victoria Day to Queen's birthday. Victoria Day was not a holiday to celebrate any Queen's birthday; it was a holiday decreed to celebrate the birthday of a particular queen, one queen, Queen Victoria, and it is only meaningful to Canadians as Victoria Day. I bring this to the House's attention because there is and has been an assault by Liberal governments on tradition in Canada. But the moment that traditions are discarded and our heritage is ignored, the government does the society irreparable damage. I am one who believes that society is a partnership not only among those who are living but among those who are dead, and those who are to be born. Within society, there is a tremendous store of wisdom, a treasury to which it is the duty of each generation to make its characteristic contribution. By discarding traditions, one loses one's roots. Any change of the name of Dominion Day is not insignificant, since by changing a name which is rich in meaning one also changes the meaning of our national holiday. I would favour, perhaps, a "Canada Day" but not as a substitute for "Dominion Day". July 1 is celebrated because it is our birthday and only the term Dominion Day addresses this fact.

I believe in what Professor Kenneth McNaught said in the following words:

No person can be healthy if he does not know where he comes from and why he did what he did. Thus we should recall that Dominion Day was decreed to celebrate a very Canadian event and some fundamental Canadian decisions.

The minute we sever our links with the past, we lose the sense of ourselves, our country. We fall prey to building transitory and fragile sand castles which are washed away by the tides of fashion and arbitrary change, due of course to arbitrary reason. We would thus drift like tumbleweed blown to and fro, having lost our worth, or reason to be, our very life.

Why then would anyone wish a change? Well, I can think of two reasons. Either those advocates of a change are ashamed of our past and the use of the word "dominion" as it applies to our country since, of course, at its birth, our country was known as Dominion of Canada; or one may argue that the

term Dominion Day no longer applies to our national holiday, July 1.

I would ask if anyone is ashamed of the appellation "dominion". I would hope not. If so, I would venture to say that it would be because those people betray a lack of knowledge about Canada's historic beginnings. For some reason, and I have read the arguments, some believe that the term Dominion of Canada and hence Dominion Day is outdated, that it is tainted with the brush of colonialism. However, I would submit that a true reading of our beginnings and an understanding of Canada at its inception might lead members to conclude otherwise.

What then did the title Dominion of Canada mean to Canadians on July 1, 1867, at confederation? I turn to the front page of *The Globe and Mail* of that date. It reads:

> We celebrate then today an event of much greater importance than the confederation merely of three or four provinces—the union of the maritime provinces with Canada. We celebrate the inauguration of a new nationality; to which are committed the interests of Christianity and civilization over a territory larger than that of the ancient Roman empire, larger, too, than the territory which is controlled by the great neighbouring republic, and with a population greater than that with which the United States began their career ninety years ago. In the duties, therefore, of the present, and in the hope and aspirations which gild our future, there is room and scope ample enough for the purest patriotism and the loftiest ambition. Let us hope that Canadians—using the word in its new and large acceptation—will worthily fulfil the duties which Providence has confided to them.

For the Fathers of Confederation and the people at the time of confederation, the term dominion did not suggest subservience, as it has been suggested a number of times by government members, nor was it British. It was distinctively Canadian, chosen by a father of confederation, Sir Leonard Tilley, from the seventy-second psalm, which reads:

> He shall have dominion from sea to sea, and from the river unto the ends of the earth.

What more aptly describes Canada, which extends from the Atlantic Ocean to the Pacific Ocean, than does dominion? Or, as the motto on our coat of arms says, *a mari usque ad mare*—from sea to sea.

This word dominion declared the destiny of Canada to rule from sea to sea and from the St. Lawrence River to the north pole. It is a term as rich and as meaningful today as it was then. I would submit that it was an inspired choice.

Confederation was a positive decision to create a union, monarchical in principle, parliamentary in form and traditional in spirit, a union based on peace, order and good government, which was decidedly and deliberately different from the United States. It was a supreme act of faith, defying economics, American manifest destiny and, some would say, geography. We stamped our nationhood on the northern half of the continent, calling our country the dominion of Canada.

● (1750)

One need only read the writings of the period to be struck by the enthusiasm for this new country which fired the imagination. The term dominion connoted an expanse of territory matched only by the scope of opportunity in this new land. It was a time for gladness, celebration, in anticipation of a bright, noteworthy future. Laurier gave voice to this optimism later when he said, "The twentieth century belongs to Canada", speaking to the Canadian Club of Ottawa in 1904. I stress again that dominion was a made-in-Canada term and in no way did it suggest subservience or a lesser status for Canada. There is no need to be ashamed of the word dominion. Far from it.

There are others I have come across who assert that for French-speaking Canadians the word "dominion" is a verbal oddity which serves to inflame old colonial wounds, that somehow the word dominion offends Quebec. It was argued before the referendum that it was time to change Dominion Day to Canada Day and now we are told that perhaps with the coming of a new Constitution it is time now to make the change. Acknowledging that in 1867 there were basically two founding cultures, to which many others have since been added, we find that the word "dominion" is not an Anglo-Saxon word. It is actually an old French word, it had dropped out of use but was preserved in the English Bible and the English Book of Common Prayer.

The French translation of dominion is "puissance" meaning power, or "souveraineté", meaning sovereignty, which the new nation Canada would have. One just has to ask the question, how can a prime minister of French and English descent, who pretends to be worried about national unity, really be serious or be believed when he is prepared to forget or ignore the historic significance of the word "dominion" as applied to our national holiday on July 1?

The word dominion, coming from the Bible, emphasizes the religious basis of the new nation. As well, it asserts lordship, the primacy of the new nation over its parts wherein Canada was to be one dominion divided into four provinces. Moreover, dominion was intended to assert Canada's adherence to the monarchy. Indeed, the first choice of the fathers was to call the new country the kingdom of Canada.

Finally, I have heard murmurings that Dominion Day is offensive to new Canadians and thus perhaps, to make them feel more at home the name should be changed to Canada Day. The hon. member for Laurier stressed this point. It puzzles me when I try to understand why a person would want to emigrate to this country knowing that our national holiday is Dominion Day and then feel betrayed on arriving here to find that the name is not Canada Day. To use that kind of argument on behalf of new Canadians astonishes me, but we hear it fairly often.

The hon. member who spoke second for the government today is not a native-born Canadian. He is a native of the United Kingdom. The hon. member for Ottawa Centre (Mr. Evans), who is my Ottawa member and who is interjecting the most, is not a Canadian by birth either. I would be the last to take away the right for them to speak that way, but to think that those two members feel that strongly about the name of the country surprises me.

Immigrants come to Canada, I am sure, because they like our country, what it stands for, and our way of life. In Canada, we encourage multiculturalism and unity within diversity. We

see an excellent example of this fact in the annual Caravan Festival in Toronto. Most new Canadians retain their cultural links and roots and traditions and realize the value of these links. Surely this group of Canadians would be the last to encourage Canada to sever its links with the past, to turn its back on its heritage. I do not believe it. Moreover, as new Canadians, they knew of Canada's heritage and tradition and way of life before they chose to come here.

If there is no reason to be ashamed of the title "Dominion", why then make the change to Canada Day? Is it because dominion no longer applies? How can that be?

Why is July 1 the date of our national holiday? Quite simply, and I think we are all in agreement, it is because July 1 is Canada's birthday. We celebrate confederation on July 1 and surely it strains one's imagination to imply that Dominion Day is no longer apt. It remains historically and geographically meaningful.

Returning to the front page of the *Globe* on July 1, 1867, we read the following:

> Stamped with a familiar name, which in the past has borne a record sufficiently honourable to entitle it to be perpetuated with a more comprehensive import, the DOMINION OF CANADA, on this First day of July, in the year of grace, eighteen hundred and sixty-seven, enters on a new career of national existence.

Confederation was a union of Canadas, that is, Ontario and Quebec, formerly Upper Canada and Canada West and Lower Canada and Canada East respectively, with New Brunswick and Nova Scotia. The provinces joined to form, not Canada, but a new country, a larger Dominion of Canada. The Fathers of Confederation chose the term "dominion". They would not have agreed to calling July 1 Canada Day.

It is natural and only makes sense if we call July 1 Dominion Day if, of course, we refer to Canada's birthday. It is not possible to speak with accuracy of a 114th birthday without posing any question about ancestors who called themselves Canadians before confederation, whereas Dominion Day means only one thing: Canada's birthday, July 1.

Surely the point of having a national holiday at all is to celebrate our country, its history past and present. Canada Day would change the meaning of our national holiday. The term Canada Day is alien to confederation, a time when Canadians spoke of the grandiose Dominion of Canada. One of the great failings of Canadians is that many do not have a strong sense of our history and surely the purpose of a national holiday is to sit back and reflect and appreciate our history and where we have come from. Yet now we are asked to cast our history aside and to banish the name Dominion Day forever.

The proposal to change the formal appellation of Dominion Day to Canada Day unfortunately is not an isolated incident or issue but is becoming increasingly characteristic of the Prime Minister (Mr. Trudeau), who places abstract reasoning above prescription and tradition, though we all know he has a well-developed concern for the judgment of history in relation to himself. We are witnessing arrogance. Nowhere is this more apparent than in the government stand on the Constitution, nor in the famous, or should I say infamous, interview on New Year's Eve with the Prime Minister when he said essentially that if the country were to break up because of what his government was trying to do—

Mr. Fox: On a point of order, Mr. Speaker. We are debating Bill C-37 which proposes to change the name Dominion Day to Canada Day. We are not talking about a whole series of unrelated events that the hon. member wishes to raise during the course of this debate because he has nothing to say.

The Acting Speaker (Mr. Ethier): Order please. The remarks of the Secretary of State are well taken. The Chair is always lenient and listens to the argument from both sides. After listening attentively to the hon. member for Provencher, I invited him to address his remarks to the bill, which is to change the name of one day. I invite the hon. member for Oxford to do the same.

Mr. Taylor: On a point of order, Mr. Speaker. Surely in a debate you can use illustrations to prove the point you are making. The Secretary of State referred to the flag debate which had nothing to do with this debate. I suggest every time we touch on a vital point, members opposite raise a point of order.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock p.m. I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at six o'clock, the hon. member for Oxford (Mr. Halliday) had the floor.

Mr. Halliday: Mr. Speaker, prior to our recessing at the supper hour I was making some comments about the fact that there are certain traditions in this country which I feel at times are being lost. I was discussing the use of the words "Dominion Day" to designate our national holiday as being one of those traditions. I was comparing it to some changes to the Constitution we have been faced with and suggested this was a parallel situation. The Secretary of State took exception to that on a point of order.

Be that as it may, I would like to proceed with the thought in mind that Canada Day itself as a term is not rooted in any kind of tradition. It is abstract and means very little to most Canadians. However, we could institute a new holiday, a new national holiday choosing to call it Canada Day rather than heritage day as has been proposed in the past. Dominion Day, on the other hand, is rich in meaning to many Canadians. It is correct and it is entirely appropriate as well.

The hon. member for Vaudreuil when speaking this afternoon made reference to the fact that it was passing strange to

him that we were not in a position to call our national holiday Canada Day. I noticed in researching this presentation that back on May 6, 1980, as reported at page 764 of *Hansard*, he said almost exactly the same as he said today, namely:

> We want to celebrate our national holiday using the name of our country, as every other country would surely want to do.

The strange thing is that there are only three other countries in the world that do that now. It was mentioned earlier today that Australia and New Zealand do that, and the third country is Pakistan. It is not factual that most countries call their national holidays by the name of the country. Only three countries out of many have chosen to do that.

Let us look at what has been done in other countries in addition to the fact that only three call their national holidays by their country name. The United States does not call their national holiday, Independence Day, by its name. We have not heard an explanation as to why they would not want to do that. Nor does France call its national holiday, Bastille Day, France day. I do not know why they do not want to change Bastille Bay to France Day, but there is probably a good reason. Why does Quebec, for instance, not change St. Jean Baptiste Day to Quebec day if that sort of move has a lot of meaning to people?

In conclusion I should like to quote the following from the Ottawa *Journal* of June 30, 1979:

> Dominion Day has at least a ring of sorts to it. Whereas Canada Day does sound as though it were put together in a hurry when there wasn't time to think of anything better.

That is the way it has been done this time too, I would suggest. Parenthetically, one would think we had no economic problems that are more important for consideration today than this business of Canada Day. The article went on to read:

> Perhaps the greatest danger with Canada Day is that somehow it might get twisted into "Day Canada" along with those other horrors; Supply Canada, Manpower Canada, Environment Canada, etc.

I would conclude by saying: Canada week, yes, but Canada Day, never.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, there has been so much criticism of the government in the past, sometimes accurate and sometimes perceived, but mostly perceived by the opposition, that I was surprised today to witness a debate on whether we should call July 1 Canada Day. I expected to come into the House and see members of the opposition rise to their feet and cheer. Much to my surprise I came here and found the same type of leadership of members opposite that made them oppose the flag and the Constitution, and now makes them oppose Canada Day.

During the last several speeches there has been quite some reference to history. Let me quote Harry S. Truman, a former President of the United States, who said:

> Men make history and not the other way 'round. In periods where there is no leadership, society stands still. Progress occurs when courageous, skilful leaders seize the opportunity to change things for the better.

For some strange reason, the Tories are the captives of history: if it happened in the past it is good. The lesson that men make history but history does not make men is one that the Tories have not learned and will never learn. Perhaps this is a period of no leadership, as Harry S. Truman suggested, and things will look up in the future.

I witness opposition for the sake of opposition here. I think there has to be some proposing as well as opposing. I am surprised the opposition did not grasp this opportunity to present this matter as a private member's bill, to which the government would have responded in the affirmative.

The hon. member for Oxford (Mr. Halliday) alluded to the fact that three previous speakers from the government side were not born in Canada. To ease his mind let me tell him that I was born in Canada, my mother was born in Canada and my father was born in Canada. However, my maternal grandfather was born in Ireland, a Protestant Irishman. My paternal grandparents were born in Italy. They did not come to Canada because July 1 was called Dominion Day; they came to Canada for jobs. My grandmother came here when she was 16 and lived to be 94. At least once a year she would say how lucky we were to be living in Canada. On July 1, if you had told her we were celebrating Dominion Day, she would not have known what you were talking about. However, if you had told her that on Canada Day we were celebrating the importance of living in Canada, she would have rejoiced.

● (2010)

Why is it so important in our country to have these symbols? I have travelled across this land and I know that our very strength is our greatest weakness. In Newfoundland they are still talking about 1949, and there is a strong Irish element. In Nova Scotia the strength of Cape Breton is in its Scottish ancestry. In Quebec they go back 300 years in French and Quebec culture. The Acadians do not even consider themselves Quebecois; they consider themselves maritimers. Ontario is multicultured. In the west there are Germans, Ukrainians and there is western separatism. Superimposed on all this are 20 or 30 additional cultures in our country.

We in the Liberal party have traditionally tried to tie this country to a core. In the heat of the declaration of war, Prime Minister W. L. Mackenzie King said the following in New York on June 17, 1941:

> Our declaration was signed by the King upon the recommendation of His Majesty's Canadian ministers. The King's Proclamation was in the name of Canada.

Traditionally the Liberals have built up our nation and our sense of nation. At the same time, as evidenced by our willingness to support the Commonwealth and other countries of the Commonwealth, we understand its historic significance.

I fully appreciate the richness of our English past and the meaning of "dominion". It is in our courts and in our parliaments. It is a product of that history. However, we need not only recall our history. Let us also remember the symbols of our nation, and the name Canada on Canada Day is that symbol.

The hon. member for Vaudreuil (Mr. Herbert) talked about the history of several bills proposing the name Canada Day. I was not only shocked but dismayed to find as a new member that we have been trying for so long to change the name to Canada Day. The hon. member talked about media support. He spoke about group support. He spoke about public support. If we were to place before any municipal council in this country the choice between Dominion Day and Canada Day for July 1, in at least 90 per cent of the cases these grassroots town councils would say, "We want Canada Day". The Tories oppose this.

The hon. member for Provencher (Mr. Epp) asks whether this is the right time. There is a story about the right time. When Abraham Lincoln was about to sign the emancipation proclamation, his hand was shaking. His clerk said to him, "Why is your hand shaking, Mr. President?" Mr. Lincoln said, "I want to rest. I have shaken at least a thousand hands this day, and I do not want my signature to be weak. I do not want history to say I hesitated". That is the history of the party opposite. Hon. members opposite are waiting for the right time. Was there a right time for the flag? Was there a right time for the Constitution? Is there a right time to call July 1 Canada Day?

Between six o'clock and eight o'clock today I asked a person standing in front of the chamber, "What do you call July 1?" He said, "Canada Day". The public knows this, the NDP knows this, the government knows this, the gallery knows this—but the Tories are waiting for the right time. The Tories are waiting for history to catch up with them.

The hon. member for Provencher says Canadians are divided, that this is not the right time and that the government has divided Canadians. How did we divide Canadians? We proposed a charter which gave Canadians a certain dignity which governments cannot take away. We suggested they are no longer colonials and that we should have our own Constitution. We suggested a formula to which everyone agreed in 1971. That is what is supposedly dividing Canada. I suggest to the opposition that what is dividing Canada is the fact that the opposition lost the last election, proved that it could not make inroads in the east and is living off western division. I have said this before and I will say it again: if there is division in this country, it is because the Tories have fostered that division.

Mr. Neil: It is because of Trudeau, nobody else.

Mr. Irwin: Not once in the Quebec referendum campaign did a Liberal say Quebec should separate from Canada, and not once have I seen an hon. member opposite go to western Canada saying, "Be part of this country". If there is division—

The Acting Speaker (Mr. Blaker): Order, please. I have some difficulty in recognizing the connection between what the hon. member is saying and the proposal to change the name of July 1 from Dominion Day to Canada Day.

Mr. Irwin: Mr. Speaker, I could not go on without reminding hon. members in the opposition of what they said during the debate. They criticized the minister for saying we are no longer a colony of Britain. They should have congratulated that same minister. The hon. member for Provencher talked about a two-headed monster which looks both ways, into the past and into the future. The hon. member for Provencher says, "Go to committee," but the House leader says, "I am not sure; maybe we should send the subject matter". The two-headed monster of the past is now the two-posteriored Tory party of the present sitting on both sides of the fence.

My forefathers came to this country to build a Canada. On July 1 they are proud to be Canadians. To them it is a frame of mind, and to call that day, July 1, Canada Day in their minds means we are no longer an appendix or an annex of Great Britain.

I see that the logic of my argument drives an hon. member from the House.

Mr. Neil: There is no logic at all.

Mr. Irwin: I am not a British subject. I do not vote in Great Britain. I do not live there. I am a Canadian. I support the concept that July 1 be called Canada Day, and I am surprised that hon. members opposite do not stand up and do the same thing.

Mr. Walter McLean (Waterloo): Mr. Speaker, I want to join the last speaker in saying that I too am in favour of the concept he espouses. For some years I have been espousing the concept of Canada Week in the Waterloo region. I have been giving leadership to activities in my area in that week and on July 1. I want to say to the Secretary of State (Mr. Fox) that there is a number of us on this side of the House who do not have any fundamental objection to the concept, but in the political process hon. members opposite know the game they are playing, and we know the game they are playing. They also know that behind hon. members on this side there is a variety of political realities which they must take home and deal with.

• (2020)

I want to say that I am prepared, after we have had an opportunity for consultation, to vote for Canada Day if that comes out of a committee hearing. However, Mr. Speaker, once again the process is one which says, "we will move from the top down and we, big government, know what is good for the people of Canada".

I would like for a moment to share with the minister and hon. members another side of this nation which I happen to represent. I know the minister, and the hon. member for Saint-Denis (Mr. Prud'homme) with whom he speaks, know a little bit about my experience in this country on these issues and on representing Canada abroad. I am as proud a Canadian as anyone on that side, and to have people cast aspersions, such as the comment that there are people in this party, the party of Macdonald, as well as in your party of Laurier, who are not Canadians, for me is as offensive as you may find it to be on your side. Let me suggest to you that I have been prepared to serve Canada abroad, and to campaign for

Canadian activities in the community I have served as an alderman. I want for a moment to try to interpret for you a little of the sensitivities of my riding, because in that riding there is the same uneasiness as similar to that in Quebec, as described by the hon. member for Laurier (Mr. Berger) earlier.

Let me suggest to the minister that I was appreciative of his comment about the fact there were 22 private members' bills introduced previously. I was appreciative and tried to hear him as he spoke about the problem of French language and the interpretation of Canada Day, and I am sensitive to what he is saying. I am also sensitive to the issue that since Confederation there have been changes. I believe the laws of Canada must reflect these changes. The leader of this party and others took part in the referendum debate to show that we care about the future of Quebec within Canada. I think the innuendoes that somehow there was no sensitivity on this side are not well taken.

The minister says this is Canada's most important holiday and that somehow we on this side are trying to put a name on something that does not yet exist in his province or mine, and we have the cart before the horse. I would like the minister to give some thought to how we judge the importance of this holiday, how we make it just what he says it is now, which I believe it can be and which I would like to work with him to make it be. I know, from the times I have been in the province of Quebec, of the importance of the St. Jean Baptiste holiday, but I wonder whether in fact in Quebec, and in large portions of the rest of Canada, Canada Day is, as he would have it, scarcely noticed except by those who want to get to their cottages. Can we not begin to plan so that the reality in Ottawa now can be the reality across Canada?

Yesterday I made a phone call, Mr. Speaker, to invite someone from Ottawa to come to Waterloo for a holiday. This young woman said: I cannot leave Ottawa until after the July 1 celebration. There is a sense of celebration here in the capital, and I wish it were so across the country. I want to suggest to the government that before we change the name, we should involve the people who are going to help us celebrate. In my experience those people have been the new Canadians, people who are now part of the multicultural composition of Canada in which we take a great deal of pride.

The minister spoke of July 1 as being representative of the pride we have in Canada and of the hope we have in the future. I concur in those aspirations but I contend they are not yet a reality. The changing of the name without using the process of involving the people in the change is not helpful at this time. Therefore, I am prepared to support our House leader's amendment that we take the next year and invite representatives of the multicultural groups and others across Canada to share with us their recommendations for the name and whether it should be Confederation Day, Dominion of Canada Day, Canada Day, or whatever we agree on. I am prepared to vote for that because I think the importance of meaningful symbols, as we have spoken of them, cannot be underestimated.

Some years ago, Mr. Speaker, in this House the first Canadian governor general, the Right Hon. Vincent Massey, had these words about Canada:

> I believe in Canada, with pride in her past, belief in her present, and faith in her future.
>
> I believe in the quality of Canadian life, and in the character of Canadian institutions.
>
> I believe in the Commonwealth of Nations, within whose bounds we have found freedom, and outside which our national life would lose its independent being.
>
> I believe that Canada is one, and that if our minds dwell on those things which its parts have in common, we can find the unity of the whole.
>
> I believe that with sound work, the spirit of a team, and an awareness of ourselves, we can look forward to achievements beyond our imagining.

I believe what Vincent Massey was saying many decades ago about Canada is what the government and all members of this House wish for Canada: A team spirit, not a country divided. On this day, when there have been so many fitting comments made about the significance of Terry Fox for Canada, I think it is important to recognize that it was not the name Terry Fox that gave reality, it was the substance of what he did and what he stood for. He had a commitment to the betterment of this nation and to drawing Canadians together.

The hon. member for Nepean-Carleton (Mr. Baker), in response to the minister, said that government advertising of Canada Day in a sense gets in the way of public acceptance. He went on to speak about what happens when government becomes the propagandist. He spoke about the symbols of national unity, how they should come from the people, and that we should be using here the evolutionary principle. He mentioned the experience of a number of countries in this area. I want to suggest to you, Mr. Speaker, that in offering my observations to the government about timing and direction, I speak with some experience, having been involved in directing the Canadian centennial and mobilizing the spirit there. I speak with some experience as the executive director of the Manitoba centennial, drawing Canadians of that province, indeed all Canadians to celebrate with them. I speak with the experience of a consultant to the government of Prince Edward Island on their centennial. The success of our Canadian centennial and the provincial centennials was not in the fact we proclaimed a day of celebration or a day of special meaning. It was in the fact that there was some content which involved the people themselves. The Waterloo region from which I come has often been referred to as Canada in microcosm. While this phrase has often been used to describe the diversity of the economy of the area, from farming and livestock production to electronics and rubber manufacturing, it is even more fitting to think of the various ethnic backgrounds from which we in the Waterloo area have come as representative of the rich multicultural heritage of Canada.

● (2030)

On July 1, this national day, our area is as proud as are all Canadians to state that we stand on guard for Canada. When we hear so often lately that Canada is facing a struggle between its regions, we should remember that when our forefathers left their various homes it was to come to Canada. They

did not come to one town. They did not come to one province. They left for Canada. In recent overseas consultation and during the five years I lived in West Africa, I have repeatedly sensed how desirable Canada is to people from around the world.

When they speak of Canada, they speak of freedom, of opportunity and of justice. Despite the rhetoric of hon. members opposite, I have yet to hear references to colonial status. This may be helpful in relation to the political problems in the province of Quebec, but let us be honest in relation to Canada's image in the world. This is a domestic political issue, not one which relates to Canada's image in the world.

Those who came to Canada came to a young country which offered opportunities to pursue goals, aspirations and freedom. This vision continues to attract people to Canada from many different lands. Canada is people. It is the multicultural character of our country that distinguishes us from our neighbours south of the border, to which the hon. member for Yorkton-Melville (Mr. Nystrom) alluded this afternoon, and other Anglophone countries around the world. Interestingly enough, in the Kitchener-Waterloo area over 100 multicultural groups are listed. They have organized themselves to remind us of their unique contribution.

On Sunday the heritage of our region was extended by the welcoming of an additional 43 new Canadians from 19 countries at a special sitting of the court of Canadian citizenship. Sunday was also proclaimed in the region which I represent as multicultural day by the mayors of Waterloo, Kitchener and Cambridge. Also it marked the tenth anniversary of distrust of the Canadian government. The citizenship court was closed with a performance by a multicultural choir. That same choir had performed at the Waterloo city council meeting which I addressed last Monday. That meeting opened the Canada week celebrations.

The weekend before last saw the occasion of the tenth festival of the Kitchener-Waterloo Portuguese community. This was celebrated by an open-air mass, followed by dinner and dance. There are now some 3,000 members of the KW Portuguese Association. In light of the changing nature of Canada, there are some 12,000 Portuguese in Cambridge and 6,000 in Kitchener-Waterloo, or close to 18,000 Portuguese in the Waterloo region alone.

The contributions of people of different ethnic backgrounds go far beyond the entertainment novelty of song and dance. Our regional economy shows very clearly the benefits of new ways of manufacturing products, of growing things and of creating things with our hands; new ways of communicating, dressing and worshipping. We have benefited from new trade relations with other countries. These have resulted in more markets for our products and the communication of new technologies to better serve those expanded markets. This edge to our technological innovation has become part of—

The Acting Speaker (Mr. Blaker): Order, please. I wonder if I might ask the hon. member to try to direct his remarks to the bill to change the name of July 1 from Dominion Day to Canada Day.

Mr. McLean: The remarks of the minister very clearly suggested the importance of this change to the province of Quebec and its political developments.

I am suggesting that in the Waterloo region I represent there is a unique multicultural background which needs to be understood very clearly by the government. The process of consultation for which we on this side are calling is related directly to why the amendment ought to be supported.

Mr. Fox: Be serious.

Mr. McLean: I am very serious. If we are looking at human dynamics and acceptance, not another propaganda tool, we on this side of the House want to be able to vote on the amendment which was brought in to such an important issue as this.

Mr. Fox: At least the mayor of Waterloo had the guts to call it multicultural day. You do not even have the guts to call it Canada Day.

Mr. McLean: The hon. minister says that I do not have the guts—

Mr. Fox: That is right.

Mr. McLean: The hon. minister may indicate by what he does. I am prepared to let my own actions in relation to Canada and my service to the nation stand with his at any point.

As our young people enter the job market with more internationalized education as the result of this multicultural reality, the country as a whole is able to look forward to a stronger economy and a more understanding society. This is not the only reality or the only factor to be represented in my riding in relation to a change such as this. Approximately 32 per cent of the Waterloo riding is German-speaking. I am not one who comes out of a riding deeply concerned about the question of the imagery of the word dominion. I come out of a riding with a multicultural background. The people of my riding ought to be consulted about what are meaningful words to them. It was not this wording which brought them to Canada; it was the hope for a sense of freedom and a sense of justice. Just as other countries have used these words, it may well be that one of these words will be one which they feel will echo the day of celebration in Canada we all want to experience.

The government is bringing forward this piece of legislation and asking for it to be rushed through. It has now been a year since it was introduced, and on the eve of July 1 we are told that it must go through. I remind the government that there are people in the Mennonite culture in my riding who have a deep suspicion of government. Many of them will not even vote. Their tradition is far different, and they are very suspicious about government at the best of times. I want to indicate a little of that cultural background. As the government moves in this direction, let it be sensitive to the fact that these groups need to be heard. We are suggesting that within the next year, or until July 1 comes again, let us have these people and their input fully on board.

One Mennonite group which is part of the many divisions in the Waterloo riding is the Old Order Mennonites. They have been an object of growing interest in recent years because of their nineteenth century style of dress, their buggies and their stubborn refusal to accept the universal comforts of the twentieth century technology. We could talk a little about what they bring to Canada in terms of their sense of work and their concerns for values and family. As both religious and social non-conformists, an article recently by Gerald Levitch—

● (2040)

Mr. Fox: I rise on a point of order, Mr. Speaker. We all know and appreciate and are all delighted by the great input which many people from various lands have made to this country. As the minister responsible for citizenship, I am well aware of this. But the hon. member for Waterloo knows that the subject under discussion this evening is whether or not Parliament should change the name Dominion Day to Canada Day. It seems to me, Mr. Speaker, that we should stay with the subject in order that we can make some progress, the type of progress the hon. member indicates he so much desires.

The Acting Speaker (Mr. Blaker): I have already indicated to the hon. member for Waterloo that the Chair is having some difficulty with the manner in which he is proceeding. However, the hon. member for Waterloo has proposed that consultation might be an important part of the name changing process. The Chair would be relieved and grateful if the hon. member for Waterloo could try to bring his remarks closer to the subject matter of the bill.

Mr. McLean: Mr. Speaker, I make no apologies for my comments. What I am suggesting is that the intent of bringing Canada closer together is that the parts of Canada identify with the action which is being taken. With all due respect to the minister, the concerns with regard to the urgency for the province of Quebec that this change be made in the next 24 or 48 hours, in light of the massive Jean Baptiste Day celebrations, and in light of other matters which the government may have on its agenda, are not the burning concerns of the citizens of the riding of Waterloo, which I have the honour to represent.

What I am trying to suggest is that in my riding it is not any one group which I can singly represent but there is a multicultural reality. In my riding there are people of German background and there is a Mennonite group. All of the different groups in my riding have a varying degree of suspicion about government motivation.

As I have tried to suggest to the minister before, I am sympathetic. I have been working as a civil servant for the government on behalf of Canada in national celebrations. I understand something about community motivation. For the minister to suggest that somehow these topics are not related to the direction in which government is headed is, it seems to me, a disservice to the motivation which we want, that Canadians identify with it, not as a government initiative but as a Canadian initiative.

I believe that the amendment to the bill which has been put forward by the Official Opposition which suggests that those involved, the people of Canada, be consulted, is far from irresponsible. Again, what we have is an illustration that what is fit for the government is good for the nation. I believe that Parliament must provide an opportunity for other opinions to be heard and that the government must be sensitized about the type of initiatives which are taking place.

I also want to suggest that it is not by accident that *The Globe and Mail* is able today to publish a full-page supplement with a picture of Prince Charles on it. There is another sector in Canada which feels, rightly or wrongly, that in the government's initiative there is an effort to downplay the role of the monarchy. In my riding are towns such as New Dundee, and Ayr, and others which remind one of where those settlers came from.

Therefore, I am suggesting that in a riding with a diverse ethnic background, the amendment proposed by the Official Opposition is not irresponsible. It does not go against Canada. What we are saying is: What can we do in the next 24 or 36 hours by changing the name? By finding a name which is acceptable after consultation, we would make it a name which would not cause division but one which is agreed upon and which will be accepted by this House unanimously.

Some hon. Members: Hear, hear!

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. At this point in time I doubt very much if there will be enough time for many of us to participate in this debate. Thus, having been involved in student activities with the hon. member opposite, would he allow me a very short question at this time concerning something which is of great concern to me, particularly when he talks about having a committee study the subject matter of this bill?

Mr. McLean: Yes, Mr. Speaker.

Mr. Prud'homme: I thank the hon. member for his courtesy. Does the hon. member sincerely believe—and I know he is very sincere when he speaks in this House—that today we would have a Canadian flag if that issue had gone to committee requesting all of the multicultural groups in Canada to appear before it and explain their views about a Canadian flag? Does the hon. member believe that today, 17 years later, we would have a flag if some leadership had not been shown at that time? My view is that we would never have had a Canadian flag if that situation had existed. I listened to all the speeches in 1964-65 on the flag debate.

I want my question to be clear. Does the hon. member believe that we would have a flag today if Mr. Pearson had not shown some leadership in asking the House to decide that matter?

Mr. McLean: Mr. Speaker, I thank the hon. member for Saint-Denis for his question. I believe it is a question which

deserves addressing, since the argument has been put forward a number of times that what we are trying to do through our amendment is avoid the bitterness which came about as a result of the flag debate. I would like to tell the hon. member that there was a committee which dealt with the flag issue. That committee proposed recommendations regarding the subject. I will be the first to propose that we deal with this matter by next year. I am not saying that we should talk it out in perpetuity. I concur with the hon. member.

My intention is that we do not become divided over this issue and that we take human nature seriously. That is to say that if the government, which is now involved in a heavy advertising campaign, moves heavy-handedly with this legislation, without a committee which can hear the concerns of Canadians, then this will continue to divide Canadians. I happen to believe that many people in Canada may well concur with the government on this issue. As the hon. member for Provencher (Mr. Epp) was saying earlier today, some may say, "Let us give some honour to this matter in history". Some people may want to call the day Dominion of Canada Day, which may be shortened to Canada Day. Others may want to call it Confederation Day. I believe that we all want to be together on this issue, as we were on the issue of "O Canada". We want to be together in such a way that we may influence the future.

When I was an alderman in the city of Waterloo I served as chairman of community services. It was my responsibility to organize a special observance for Canada week. We drew together some 5,000 young people from kindergarten to grade eight in the Seagram's stadium. We were able to rehearse in song and in word the history of Canada. I would like to know that the educational leaders of our country are prepared to welcome this change, and not on 24 hours notice. I would like to know that the churches of the country are together on this issue. I would like to know that the multicultural groups have been consulted. The hon. member opposite is right when he says that there is no guarantee that we will reach a 100 per cent agreement. But, after all, Parliament is about process. This country operates on consensus. The matters which have come out of the constitutional discussion and the times when we are most deeply divided are the times when we stop listening to each other. I suggest that there are instruments across this country which can clothe the government's proposals with meaning. The proposal put forward by this party is not an obstructive one, nor is it un-Canadian. In fact, looking back a decade later in history, it may be seen that we can avoid the bitterness which was a part of the flag debate.

● (2050)

I want to thank Your Honour for your courtesy, and I want to thank hon. members of the House for their attention. I want to suggest that in supporting the concept of officially identifying July 1 as Canada Day or the Dominion of Canada Day or Confederation Day, or whatever we decide, that we hold to the evolutionary concept and principle and that we consult in a way which can draw us together as a nation.

Some hon. Members: Hear, hear!

Mr. Gilbert Parent (Welland): I thank your Honour for recognizing me and giving me a chance to speak in this debate. In answer to some of the points that the member of Parliament for Waterloo (Mr. McLean) raised I would point out that this is not exactly what one would call a precipitous debate to change the name of Dominion Day to Canada Day. I can recall that on November 30, 1978, a similar motion was raised by the hon. member for Vaudreuil (Mr. Herbert) who also proposed that this matter be sent to committee. I would point out to the hon. member for Waterloo that his suggestion of sending this bill to a committee for study is exactly what we are trying to do. After all, we are on the second reading of this bill. If we bring this to a vote, if the opposition will permit it to come to a vote, I would suggest that we could very well send it to committee, and these studies he is talking about could very well take place.

As to the point that changing the name from Dominion Day to Canada Day is some kind of propaganda, how can we possibly think that the word "Canada" is propagandist? My God, it is the name of our country. Since when, if we give the name of our country to any day or any act, does that become propaganda? Are we not all, all of us, Canadians in this House? Are we not all Canadians first?

Some time ago I had occasion to represent in Japan the minister of fitness and amateur sport. I would simply point out that, notwithstanding the fact that our nation is made up of many cultures, when those athletes were outside the country they were Canadians, very simply, Canadians; no more, but surely no less.

The hon. member from Quebec made reference a little earlier to the flag, and he raised the question as to whether we would have the flag today, whether we would indeed be blessed with the flag we have now or would we have the flag that we had some time ago. I would suggest to all hon. members that however acrimonious and bitter the debate was at the time, surely the flag is one of the symbols which unites us today. Surely there is not a Canadian who travels anywhere within Canada or outside of Canada who does not have that feeling of pride when he sees his own flag, our very own. It took us 98 years to finally get that most elementary symbol to all sovereign countries.

I think sport does unite us. Because of this, when our athletes travel abroad, they are simply known as Canadians. It does not matter from which ethnic background they come. They perform for us, for a nation as a whole. I do not in any way downgrade or take away from any cultural group here in Canada; but by the same token, it should be said that all of these people, if they chose Canada first, if they came from another country, they chose us. They chose this blessed land. They want to be known first and foremost as Canadians. No one ever said that they would be deprived of their culture. No one ever said that they had to give up their particular language or customs. On the contrary, we believe that because of this diversity, we are stronger, and not only stronger but surely we are more colourful as a nation in the sense that we can share

our differences with one another. In that sense, we are very much richer.

Perhaps the House would be interested to know that notwithstanding the great loss we have felt in the last few days, having lost, I would say, not only one of our foremost athletes, in the sense that he had the great heart of an athlete, but probably one of our foremost heroes since we have become a nation, there are other young people who are in the mold of Terry Fox. This noon hour I took part in a ceremony in honour of a young chap called Steve Maaslain, a cyclist. He left here to bicycle all across the North American continent. I know that when he went from place to place, what he took with him was the symbol of our country. Wherever he went, he was known as a Canadian. He came home to celebrate with us what most of us now call Canada Day and what we would like to call officially Canada Day.

We are in the process of going through these growing pains, but for how long? How long must we go through these growing pains before we can become what we really are? For those of us who have no other culture, as it were, who come from no other country, for people like myself, who were born and raised here in Canada, who went to school here, live here and, God willing, will die in this country, our country is Canada. This is the beginning and the end for us. This is ours. We do not come from England or France or Hungary or Italy. We come from here. The people who come over to this country take on, I guess, the blessings of the country which is here, which is ours, the country where we were born; yet, in spite of all this, cannot call July 1 Canada Day. We cannot bring a bill in this House of Commons so that we can call this celebration what it is. It is our birthday. It is the birthday of this country. It is the birthday of Canadians. I for one am anxiously awaiting the day when once more, or at last, we will have one more symbol to call our own.

Your Honour is aware, as you have heard other hon. members say, that it was not until 1946 that we established Canadian citizenship. We had to wait until 1946 for that, only then could we call ourselves Canadians, Canadians first. It was not until 1965 that we had that flag which stands beside Your Honour. In 1980, at long last, we could have a song to sing which was ours, not borrowed from someone else, not written some place else, but written by one of our own Canadians here in this country. Now, in 1981, will we be fortunate enough to at last have Canada Day proclaimed?

I do not in any way fault the opposition. I do not fault them for raising a different point of view; but from what I have heard from the hon. members who have spoken from the other side, it would seem to me that we are not at cross purposes. What they seem to want to do is to put off, for a little bit longer, calling the day, which is rightly our own, by its right name, Canada Day.

I do not in any way downgrade the fact many Canadians served in the armed forces and served their country, but I do take exception when the hon. member for Waterloo suggests that in his own way our Minister of State (Mr. Fox) does not contribute to the well-being of Canada.

Surely all of us here in this House who serve our country as best we can, and love our country, would one day like to have this feast, this birthday, celebrated for what it truly is, a day for Canadians, proclaimed by Canadians, and celebrated with open hearts and great joy by all of us who call ourselves Canadians first. Of course, I refer to Canada Day. I encourage all hon. members on all sides to support this bill, to give it second reading, to send it to committee, if necessary, and then on its return to pass it into law so that we can have what is rightfully ours.

Some hon. Members: Hear, hear!

• (2100)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will not take a great deal of time. I have been listening to the debate trying to make up my mind whether to support this bill or whether to support the opposition's viewpoint. After a great deal of thought I came to the conclusion that I should support the bill. I want to tell you why.

Yesterday I spent all afternoon at a multicultural gathering in Gage Park in the city of Hamilton. I took part in the opening ceremonies. I shared the platform with the mayor and with members of the legislature. I brought greetings from my colleagues, who asked me to do so, the hon. member for Hamilton-Wentworth (Mr. Scott) and the hon. member for Hamilton West (Mr. Hudecki), and I brought greetings from other parts of the area. I toured the many exhibitions which were representative, I think, of every ethnic community in the city of Hamilton. I do not want to go through them all because undoubtedly I will miss some. However, I saw representatives of every conceivable group which had come to Canada to settle, to make a home here to contribute to the lifestyle and to the future of our country. I talked with them, I tasted their food, I watched their dancing and I listened to their music.

In each and every case people referred to the celebration of this coming Wednesday as a celebration of Canada Day. As I listened to the debate, I thought I had probably conducted my committee hearing, that I had probably already heard from the people I represent. The tens of thousands of those people who were in the park were there enjoying themselves and most of them, I suspect, were native born Canadians. Many of the ethnic representatives, the younger people who were the prince and the queen, or the two male and female representatives of the ethnic communities, almost without exception, I think were native born Canadian. All of them were dressed in the costume of the land of their forefathers, displaying here in Canada the culture of their land.

If all hon. members, at least those who have been in politics for a while, were to stop and think about the number of such occasions they have attended over the course of the last few years, they would reach the same conclusion I have, that calling our national holiday Canada Day does make a lot of sense.

There is nothing wrong with Dominion Day and I object to the inference that somehow or other we are casting off our ties

with Great Britain as a result of this change. I do not think we are. Dominion Day, as has been well put by a number of speakers, is not a reflection of colonial ties at all. It never was intended to be. It cannot be and it must not be allowed to be portrayed as that. Therefore, to change from Dominion Day as in Dominion of Canada, to Canada Day the name of our holiday on the first day of July really is not to be considered by anyone as a betrayal of the historical significance of the choice of the name of the day some one hundred years ago.

I think we do a lot of people a disservice by trying to leave an impression on either side of the House—or on any side of the House if you consider this to be a separate side—that there is in anyone's mind the intention to cut off the long and traditional ties we have enjoyed.

It is important, when making decisions about the future, to learn from the past. The past is there from which we can all learn. One thing is very clear about the past. We have had a lot of difficulty in making decisions in favour of Canada. We have always had conflict whenever there was a decision to be made in terms of the future of the country. We have gone through a very difficult and divisive debate in the House of Commons over the Constitution. I say that only because I think it has served the country ill in the way the debate was carried out. I was distressed by it.

I have travelled across the country many times. I returned from Vancouver last Saturday and I say to my colleague from Vancouver that what interested me on my way home to Hamilton to take part in yesterday's ceremonies, was that the people in Vancouver were preparing for a similar celebration next Wednesday. I know from reading the newspapers that the very same celebration is being held in almost every major and minor centre all across the country, from coast to coast and from north to south.

What are we trying to do? We are trying to focus it a little more. We are trying to make sure that everyone understands what the holiday is all about. We are trying to make sure that every small child realizes, as he or she grows up, that on this day we are celebrating Canada's birthday. We are trying to make it easily understood and not confusing, so people do not have to dig into dictionaries to find our what Dominion Day means. Rather, they will be able to see at a glance that on July 1 we celebrate that together we are Canadians, all with a common purpose. Let me say to you, Mr. Speaker, that there is no time in Canada when the need is greater than at this time in our history to try to demonstrate that we have a common purpose, a common bond, that links us.

There is enough going on politically that is already dividing the country. Without going into detail, I want to tell you what has been of considerable concern to me in my year and four months, or whatever it is, since being elected to this House of Commons, as I have sat here and watched the degree of animosity and ongoing aggravation that exists within the House of Commons.

This celebration would be a good thing on which to join together. It would be a good thing for the three political parties in the House of Commons on which to reach an accord and for us to say to Canadians that although we may disagree on the price of oil or on certain aspects of the Constitution, we all agree on one thing, that on the day we have a holiday once a year to celebrate Canada's birthday, we will call it Canada Day and that the purpose of that day will be understood by each and everyone of us. It is to honour Canada. It is to honour what it has been, it is to honour what it is and it is to honour what it will become. It is to speak of the unity that exists and can exist within the country, although it is a country of great diversity. It is the one day when even those who come from parts of the world where there is even yet an armed conflict between the races, as well as each and every one of us, can go into the same park. We can all share together the happiness of being able to display our own particular and peculiar background and heritage. I must be careful how I say this lest I offend anyone, but I went to the dinner of this multicultural group I am speaking of about three weeks ago. On that evening they were choosing from among the male and female representatives six who would be the representatives of the multicultural organization.

• (2110)

As hon. members know, there has been considerable conflict in the Middle East. There, coming down the aisle was a young lady with her escort. An appropriate piece of music was being played as they came to the front to be introduced. Standing at the front was another young lady with her escort who came from another part of the same geographic area of the world. I can tell you now that the people in that part of the world are not getting along well at the moment. However, there they were standing and applauding the other young couple coming down the aisle. I turned to the people at the table with me and said to them, "there is hope for us yet; if we do not force them to fight, they will get along."

That is what that celebration was doing, pulling people together, people who had come to Canada from a variety of places. If they were living back in their home countries, they had in their souls the makings of conflict and discord, but they were living here. They consider themselves to be Canadians even though they represent their heritage. They were sharing in the happiness of that particular event without any sense of aggravation, hatred or distrust.

We in this House of Commons could learn something from that. Unfortunately, we were not all there. Obviously I do not have the time nor the ability to educate the entire Canadian population as to the real meaning of Dominion Day. My chances, and in fact the chances of all of us ever being able to do that are pretty slim. Since we are talking about the Dominion of Canada and since it is now well known that the first of July is the celebration of Canada's birthday, I cannot see any good reason, and I thought carefully about it, why we ought not to call it Canada Day.

It distresses me, and I say this more as an aside than as a main point, and I wonder at what point in the course of the next two or three years we will get around to dealing with some of the other important issues. This is very important, no

doubt, in historical terms. The choice we will make over the next two or three days will be significant. However, I do not want anyone to get the wrong impression. This is not the matter that is uppermost in the minds of Canadians today. There are other things.

I received a letter from an elderly couple who were paying tribute to my good friend and colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), and quite rightly so. Without him they would probably be living in even worse poverty than they are now forced to live in. They asked whether it would be possible for us to set aside an hour or two to talk about the problems of pensioners. When we think of Canada Day, we have to remember that without the effort of those people, there would not be a Canada for which to have a Canada Day.

I think we treat these people shamefully. It would serve us all well if we were to make a decision to get on with this, vote on it and do it. That is why we are sent here. We are not sent here to hold interminable committee meetings; we are sent here to make decisions. You win or lose on the strength of the decisions you have made.

If we could get on with voting on this, we might be able to devote a bit of time to some of the other very pressing, vexing and difficult problems. There will be little joy in the hearts of these individuals come Wednesday, no matter whether we call it Dominion Day or Canada Day, if they are forced to go through another year of existence on $5,851 between them. That is what aggravates me most about the House of Commons and worries me most about the debate. We can elevate anything to a matter of principle. We can create a conflict where no conflict need exist. We can artificially posture about the position we take for or against.

I happen to believe that we are all concerned about the future of Canada and that we are all equally dedicated to making it a better place. However, I worry when we get bogged down on issues that may in the long run not have any lasting benefit when we could have been dealing with matters which might just make life a little happier for a few people. As we found out over the weekend, life is not necessarily three score and ten. Life can end tomorrow morning for a lot of unsuspecting souls.

I have given a good deal of thought to the matter over the course of the debate. I listened to the arguments. I hope I have not defended the hon. member for Oxford (Mr. Halliday). Although I was not born in Canada, I think I have the right to at least make these representations. Some of what was said by certain members was very apropos. I think in particular that some of the comments by the hon. member for Laurier (Mr. Berger), the hon. member for Waterloo (Mr. McLean) and the hon. member for Oxford were very valuable as to the way in which this country has grown up. They talked of the tugs and pulls that exist within the various geographic segments of our country in addition to the difficulties faced by many who have had a long and involved stay in Canada, perhaps native people more than others, who have not been given a fair shake and maybe do not care whether it is Canada Day, Dominion Day, or anything else.

We have an opportunity to show some leadership. That leadership has to begin now. There can be no more procrastination, no more hiding behind idle rhetoric or posturing behind the traditional values that in fact never were values in the first place and are not traditional. I suggest to the parties, including my own, let us deal with this in a more common sense way. Let us take a real, serious look and let us make the change.

Some hon. Members: Hear, hear!

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, in rising to speak briefly in this most symbolic debate—

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): Yes, gentlemen, it will be brief.

—this most symbolic debate as we approach Canada's 114th birthday, I want to congratulate speakers on all sides of this House on their very thoughtful interventions. I single out my friend for Hamilton Mountain (Mr. Deans) for his truly sincere remarks. My wife and I also treasure the "It's Your Day" celebrations in Gage Park. We will be there on July 1 to celebrate our 114th birthday. I will have something to say about that fascinating mosaic which makes Hamilton such a special place to represent.

• (2120)

I also want at the outset to associate myself wholeheartedly with the amendment posed by my colleague, the hon. member for Nepean-Carleton (Mr. Baker). The amendment to refer the subject matter of this bill to the Standing Committee on Communications and Culture for detailed examination is not a mischievous, frivolous or delaying tactic.

An hon. Member: It is un-Canadian.

Mr. Scott (Hamilton-Wentworth): It is not, as my friend from Waterloo said, un-Canadian. It is a direct and responsible attempt to allow the Parliament of Canada to hear the views of Canadians and to reflect them, and then take the best course of action for all Canadians now and in the future.

Dominion Day, Canada Day, The First of July, Confederation Day, who knows what Canadians feel about what to call the day after tomorrow? Does the government know? The government lives on and it swears by polls in everything else it does. What do the polls say about replacing such a cherished symbol as Dominion Day with Canada Day, or any other name? Does this government really know? I ask the minister to answer that.

I particularly wonder about the unconscionable short time the government is allowing us as representatives of the people to participate in steamrollering through something I believe is of profound importance to a great many people in this country. You do not ram through a change like this in two days, and in parliamentary terms that is five to seven hours.

I know what my Liberal friends who occasionally organize these sneaky exercises are thinking. I know because I asked a Liberal flat out: "Why are you organizing this sneaky exercise two days before our 114th birthday?" And the answer came back "Because we want to see if you guys are foolish enough to deny its passage". That was the answer I received. That may be Grit strategy, but it leaves a pretty gritty taste in the mouths of a lot of people when the government plays politics with people's emotions in a slap-dash way.

An hon. Member: On this particular issue.

Mr. Scott (Hamilton-Wentworth): Yes, on this particular issue.

The hon. member for Laurier (Mr. Berger) this afternoon suggested that we on this side seem to feel that people need to be marching in the streets before we are willing to recognize the need for a change. He further suggested something to the effect that we Canadians need not waste our time on old fashioned words from the past such as "dominion", and that these relics from the past might just as well be forgotten.

Let me turn to an authority on Canada who is known and greatly admired by all of us. Former Senator Eugene Forsey and I can and do disagree philosophically on many things, beginning with socialism and Pierre Elliott Trudeau. But there is one area in which Dr. Forsey's expertise is absolutely unparalleled, and that is his love for and knowledge of Canada.

Eugene Forsey is an unabashed supporter of Dominion Day as the designation for July 1, and it is on his very meaningful address delivered to the Men's and Women's Canadian Clubs of Edmonton in June, 1956, a quarter of a century ago this month, that I wish to base this portion of my remarks. Dr. Forsey was then director of research for the Canadian Labour Congress and he entitled his address "The Meaning of Dominion Day". It might interest some of Dr. Forsey's former soul mates to our left to know that he feels just as passionately this very day as he did then when he delivered his address 25 years ago. This is Dr. Forsey on Dominion Day:

> Dominion Day celebrates one of the greatest feats of modern history: the making of a new nation, and a new kind of nation, by a handful of people of differing origins, differing languages, differing creeds, differing histories and differing interests, and in the face of obstacles that might well have daunted the boldest and most resolute statesmen.

Those are the kind of people the hon. member for Hamilton Mountain and I have come to respect with their differing languages, differing creeds and differing histories. Dr. Forsey's address continues:

> Everything was against them. The country was huge; most of it was empty; the Americans were pressing in upon the territories of the Hudson's Bay Company, threatening to cut off the new Dominion from any expansion West or North. There was hardly any industry; manufactured goods came overwhelmingly from Britain, and to central Canada for five months of the year through American ports, so that at any moment the Americans could strangle the economic life of Ontario and Quebec.

Dr. Forsey called the Dominion of Canada "A Supreme Act of Faith". He said:

> Confederation was a supreme act of faith, faith that defied geography, defied economics, defied the "manifest destiny" of the Americans to rule the whole continent from the Rio Grande to the North Pole.
>
> Faith in what? In something beyond economics, beyond the material; faith that the British North American colonies had a heritage worth preserving, worth developing, worth paying an economic price for; faith that on this rock our people could build a great nation, part of a great Commonwealth.

He referred to the "Title of Our Country". He said:

> Both choices are enshrined in the word "Dominion" itself, the title which the Fathers gave our country, the title they wrote into the British North America Act, three times over. Where did that title come from, and what does it mean?
>
> The Fathers originally wanted to call the new nation "the Kingdom of Canada." But the Americans raised such a storm that the British government took fright, and insisted on something else. The Fathers for their part, insisted on something that would mark the new and higher status of the federation. Sir Leonard Tilley produced the solution, from the seventy-second psalm: "He shall have dominion from sea to sea, and from the river unto the ends of the earth." His colleagues agreed; the Queen consented; and "Dominion" the new nation became.

That title was "a particularly happy choice" according to Dr. Forsey. He wrote:

> The title was a particularly happy one, for more reasons than one. First, and most obviously, it embodied the determination of the Fathers to bring into the Union all the British North American colonies from Newfoundland to British Columbia; "a mari usque ad mare," as our coat-of-arms says. It declared the "manifest destiny" of Canada to rule from the St. Lawrence to the North Pole.
>
> Second, and more important, it emphasized the religious basis of the new nation. Who was to have "dominion"? The King of Israel, the Lord's Anointed: the King, under God.
>
> Third, it proclaimed the basic fact of our two cultures. For "Dominion" is not Anglo-Saxon. It is an old French word which dropped out of use in French but was preserved in our English Bible and our English Book of Common Prayer.
>
> Fourth, it proclaimed, no less unmistakably, our new status. The French translation of "Dominion" is "Puissance," (Power): "Souveraineté," (Sovereignty); a far cry indeed from "province" or "colony," a foreshadowing of the independence to come. And it was so recognized at the time. It was meant, Lord Carnarvon told the Queen, just before the Act was passed, "to give greater dignity to the commencement of this great scheme." "Canada", said Edward Blake in 1876, "is not a colony or a province; she is a Dominion, under an Imperial charter which expressly recites that her Constitution is to be similar in principle to that of the United Kingdom."

I know that will upset some of my friends opposite, but that is the fact.

● (2130)

In terms of adherence to the monarchy, Dr. Forsey wrote:

> —"Dominion" as avowedly intended to assert Canada's adherence to something the Fathers considered no less important than national unity: the monarchy. "The North American delegates are anxious," Carnarvon told the Queen, "that the United Provinces should be designated as 'the Dominion of Canada.' It is a new title but intended on their part as a tribute to the Monarchical principle, which they earnestly desire to uphold."

Dr. Forsey also said:

> Finally, the title "Dominion" . . . does not stand alone: Canada is to be not just a "Dominion", nor even a Dominion under the British Crown, but a Dominion with "a Constitution similar in principle to that of the United Kingdom." In other words, the title "Dominion" is the seal upon our priceless heritage of British parliamentary responsible government.

In terms of membership in the Commonwealth, which is a very important thing to this Parliament and certainly to the government which this Prime Minister (Mr. Trudeau) leads, Dr. Forsey concludes as follows:

> What is the—

Other.

—thing that makes Canada unique among American nations? Our membership in the Commonwealth, that world-wide free association of free nations which we have done so much to create, which Sir John A. Macdonald foresaw and sketched as long ago as 1865, whose corner-stone he laid on the first Dominion Day, and towards whose completion he worked with unexampled skill, patience and courage. This also is part of the meaning of Dominion Day. This also we ought to celebrate, with full and thankful hearts.

The Fathers of Confederation laboured, and we have entered into their labours; not just the *fruits* of their labours: their *labours*.

Dr. Forsey concluded by quoting a former Canadian prime minister.

What they built, we must *work* to keep and enlarge. We can do it, but only if, in the words of that great master of our English speech, Arthur Meighen, we remain "conscious of our mighty heritage, proud of the Imperial fountain of our freedom and of the flag that floats above us, worthy of those ideals of British liberty and justice which have sent their light forth and their truth among all races of men."

The former senator, Dr. Eugene Forsey, is a man for whom I have great respect and to whom many Canadians look for advice and wisdom in terms of how this country should evolve. I should point out that former Senator Forsey was appointed, by the present Prime Minister, a senator on the government side.

Speaking personally, I have no real problem with changing the name from Dominion Day to Canada Day. While I do have a sense of history about my country, I also realize the need to update and to bring into the twentieth century phrases, customs and even designations of official holidays. Whatever significance the word Dominion held for Sir Leonard Tilley, I must confess I could never sell it to my nine-year old son. Indeed, just before rising to speak in this debate I called the youngest member of the Scott household and asked, "What do you and your friends call July 1?" Liam answered, "Well, most people call it 'Dominion Day'. I don't know why they call it 'Dominion Day', but I don't want to be an oddball, so I call it that too". Then he added, "I think 'Canada Day' would sound better. 'Dominion Day' sounds like a store". Sometimes you have to climb inside the mind of a nine-year old to gain a proper perspective on these great matters of state.

To many Canadians perhaps it is a typical attitude: who cares about changing the name? Maybe it makes sense. After all, everything official now is being done in the name of Canada. Why the fuss about forgetting about the word "dominion", which has gone out of usage anyway? Why is everyone getting upset about embarking on the Canada Day route which is becoming generally accepted?

A great many Canadians have long argued, and will continue to argue, a very eloquent case on behalf of the status quo. So what if the multitudes do not care one way or the other about changing the name of July 1? Why should this government automatically interpret a quiescent public opinion or a seeming non-caring public attitude as being in favour of change? Who has asked the people of Canada if they want to see an official name change for this day? Has this government done anything more than fill the airwaves with Canada Day propaganda, for which all Canadian taxpayers will have to pay regardless of their views about getting rid of the Dominion Day designation for July 1?

This brings me to my own deep suspicion about this government's motives in bringing this measure before Parliament a scant two days before Canada celebrates its 114th birthday on the famous first of July. I know it sounds slightly crazy to ask "What's the rush" after more than half a century of trying to break our colonial ties with the mother country, and that is a legitimate point of view which is held by some or, indeed, probably many members of this House, but why should this government feel that it should always fly in the face of public opinion or carry on regardless, and change things? Again I ask, what's the rush? Why the attempt to steamroller this change through in two days? It is my firm conviction that we should not change unless we have a rough idea of what we are doing and why we are doing it.

That brings me to what my great and good friend, Senator Forsey, calls "one of these fancy Grit tricks". He and I agree on one point: the reason the government wants to change Dominion Day to Canada Day is that it apparently has the idea it will go over big in Quebec. Dr. Forsey could not be more succinct or correct when he says, "It won't make two hoots of a difference in Quebec".

The fact of life all Canadians must face is that the word "dominion" formed part of a solemn commitment on the part of those men who formed Canada. In Atlantic Canada, for example, there were three colonies back in 1864. The idea of a dominion was part of a bargain to bring the original partners into this confederation. It was a fine concept. It was wonderful craftsmanship. But it was a firm bargain that made it possible for the colonies to give up their separate and distinct identities and become the nucleus of what we know today as Canada.

Has the federal government consulted the governments and the people of the original partners of confederation? Has this administration received any feedback from those Canadians whose forefathers were most intimately involved in the unique Dominion of Canada partnership we will celebrate the day after tomorrow? Has the government checked with those original partners, or is this government simply barging ahead in its customary fashion and not consulting the people or the people's representatives in the manner suggested by my distinguished colleague, the hon. member for Nepean-Carleton? What could be wrong with hearing from concerned Canadians about the advisability of this change before an appropriate parliamentary committee? Is that not what Parliament is for? Is that not why we are here, to reflect the views of the people?

I promised the minister I would be brief. In closing, I ask the government in a spirit of reason: if you are going to make such a major change, in the view of so many Canadians who hold the history and tradition of this nation so dear to their hearts, why in the name of heaven must you spring this particular change on us in just a few short hours? Should Canadians not be given the chance to be heard on this issue, not through a snap vote here in the House of Commons but through us as their elected representatives in considered discussion in an appropriate committee?

I am asking that the government give us a few extra weeks or months and then, come our 115th birthday, a year and two days from now, we Canadians may very well have something to celebrate: The Dominion of Canada Day.

Mr. Knowles: Mr. Speaker, would the hon. member permit a question? In view of his concern that time be taken on this issue, can he tell us how long his party took to change its name from Conservative party to Progressive Conservative party?

• (2140)

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, you have been admonishing members of this House all evening about irrelevancies in terms of this bill. That is the most irrelevant question I can imagine. How long? As long as the Canadian people feel they need to register their impressions and viewpoints to the parliamentary committee we are asking this bill be sent to.

Mr. Knowles: Your party took two days in 1942.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, today is June 29 and the House is studying a bill. I was unable to be here for the debates this afternoon because I played host to 100 young Canadians of Greek origin in my Montreal riding, young girls and young boys who belong to the Canadian Guide and Scout associations. I was so convinced that there would be no debate that I was quite surprised at supper time, when I was coming back to the House, to learn from the Secretary of State (Mr. Fox) that there is opposition to the bill. I could not believe it so I decided to go to the House even though I am not supposed to be here this evening. I want to try to explain a few points on this question which is very important to me, but does not seem to be to others. In fact, when the subject is Canada it is the motivation of all of my political life. That is why I came to the House of Commons in 1964, not to defend the past but to build a future for this country and try to play an active role.

[*English*]

As I was saying, this is my greatest motivation. That is why I came here in 1964, not to defend continuously what took place in the past, even though it was right at that time. I came here in the hope that together, the opposition and the government, the west and the east, those who speak French and those who speak English, we could, not defend national unity but build national unity. That is what I was doing this afternoon with these young students from my district, Boy Scouts and Girl Guides. I was telling them what Canada is all about, because they are new Canadians, the first generation born Canadians. Their parents were born somewhere else.

They said: What is Canada, what is Canada's part? So I explained that Canada is one of the most beautiful lands in the world. It has had evolution, not revolution. We started as a French colony, then we became a British colony, then we became a semi-colonial country. Then slowly, gradually, we became a country, proud of being independent. In 1933, I believe, we abolished appeals to the committee of the Privy Council on criminal matters. In 1949, at the same time Newfoundland joined Canada, we also abolished appeals on civil matters to the House of Lords. And then gradually we arrived at the issue of a Canadian flag. I have the honour, Mr. Speaker, of being a freshman member in 1964, and of course I dutifully, as I still do today, listened to every speech made about my Canadian flag.

I do not say we have a monopoly on Canadianization. You know where I stand; my friends know I have tried not to divide people on these emotional issues. However, the facts are there. The facts are that in 1964 everyone said it is too soon, let things evolve, let us wait. You are going to divide the people forever. I went to speak over and over again in western Canada and, contrary to those who said we would divide the country in two, I discovered those who adjusted the fastest to the Canadian flag were the westerners.

I see members and colleagues, friends of mine who are still in the House, who I think in their conscience thought they should oppose this. I do not disagree with that, it is something for debate. They opposed the Canadian flag because they thought it would divide the country. And yet a few years later I saw the same members—whom I could name, but we do not embarrass our colleagues—distributing with happiness these little flags the Secretary of State (Mr. Fox) has not provided in sufficient numbers to members of Parliament. They were distributing these little Canadian pins to the young new Canadians. I would like my friend, the hon. member for Hamilton-Wentworth (Mr. Scott), my distinguished travelling companion, to listen to his son more than his own feelings because I know he wants Canada Day. At least that is what I gather from his speech. He should listen to his son who said: I would prefer Canada Day.

My good and distinguished colleague, and I always refer to him that way, the hon. member for Oxford (Mr. Halliday), told us there are only two or three countries that call their national day by their name. He is right. However, I may say to my friend that there are not many countries that have gained their independence the way we did in Canada in 1867. Most of them call it by the day that marked their revolution. If we in Canada had listened to everybody, we would never have had 1867. Why did Cartier and Macdonald go ahead in 1867? There were people at that time who said—read the record—it is too soon; Let us take time; We do not want it. However, they showed leadership, and we have Confederation. That served very well Canadians of that time and is still serving Canadians of this time.

I am a defender of confederation, but I know it is because of the multitude, thank God, of other Canadians who came to this land to help it grow and become more universal, that we have this Canada of today. Look at the evolution of Canada from 1867. Look at the significant events that took place since that date. You come to 1933, 1945, and 1949. Then we have the famous flag debate. After that you arrive at something

that I participated in called the Special Joint Committee of the House and Senate on the National Anthem.

[*Translation*]

In 1965, Mr. Speaker, the right hon. Mr. Pearson decided that we would have a national anthem. A committee was set up and we sat on that committee. I am one of the last survivors of that committee still in the House. I sat on that committee with my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall). We agreed that "O Canada" should become our national anthem. Some people were saying: But not now! It is too early! It is premature! Do people know how much time it took us? It was proclaimed in 1980! Frankly, dear colleagues, I think we have been very patient.

Today we are presenting something new, according to certain members. But it is not new. Since 1968, 22 bills on that subject have been introduced by members who are anxious to acknowledge that this holiday, our anniversary, is the anniversary of all Canadians and to call it by its name—Canada Day. Since 1968!

● (2150)

[*English*]

I would probably side, as I do sometimes, with hon. members of the opposition if I thought we are rushing too fast or that it should not take place. I may vote in one way, but sometimes I reflect and say that perhaps we should think a little more. That is not the case in this regard. I would have gone to the Secretary of State and asked, "Why do you not accept the proposed delay?", if he had arrived tonight with a special surprise for the House of Commons to celebrate the 114 years of what we know Canada to be. He is not taking us by surprise. It has been going on and on since 1968. I repeat that we would have had time. We did not see any march or demonstrations in the street, thank God. People know that this matter is being discussed in the House; they could have talked about it. We have not had delegations of people who want to be heard. If we had done what was suggested, if we had had another committee looking at it, there would have never been a Canadian flag.

Is it not time to realize that when we talk about such subject matters, it is fine to be emotional. Canada is an emotional thing for me. It is fine, when we talk about Canada, to quote such people as my dear good friend, Senator Forsey, as was done by my hon. friend from Hamilton. But whom did he keep quoting? I want to be clear. That is why I am speaking more in English than in French tonight. I want to be clearly understood in what I have to say. It has nothing to do with being anti-English or anti-French or a fight between the two. It would be a denial of my entire life if hon. members thought otherwise. Whom did he quote? He quoted lord so-and-so and sir so-and-so. He quoted the Bible. I am a religious person and a believer, but I do not see the relevancy. Is it not anti-Bible to rise and quote the Bible when talking about Canada? Sure, it is in the Bible, but it does not say that because it is a quote from the Bible we cannot follow our inclinations for Canada, that is, to make it better known and accepted as such. They talked about the United Kingdom and what took place in 1867. They talked about the monarchy. They talked about the dominion. Again they talked about sir so-and-so.

Let us build Canada now for the people of tomorrow irrespective of the people of yesterday. We must respect them, but if we always go back and say, "Yesterday they said that, accordingly we should not move today", I do not know the kind of Canada we would have. If Sir John A. Macdonald and Sir George Etienne Cartier would have had the same kind of attitude, I can tell my good colleagues from British Columbia and everywhere else that we would not be celebrating our one hundred and fourteenth anniversary. But they were people who said it was best for a group of people who lived on a piece of land, which is now called Canada, that we have confederation. Then Mr. Pearson knew that it was best for Canada, knowing that it was divisive and passionate, to have a national anthem. It was best for the future of young Canadians to have a Canadian flag, and soon they will have a Constitution. I agree that we in the country may disagree on the way it is being done. This is debatable, but one matter which is not debatable is the fact that we want a Constitution in Canada, done by Canadians and amended by Canadians. This is a step in the right direction. It is true Canadianization. There is nothing anti-British or anti-monarchy in that. It is just a cold Canadian fact of life.

I should like to call upon my dear colleague, the House leader of the Official Opposition. Perhaps he would like to withdraw his amendment—he knows I am sincere—and accept the fact that we should send the bill to committee. I hope the Secretary of State is listening in case I am making a mistake; I am almost making a proposal for him. I have a few minutes left; I do not want to speak last. Perhaps the hon. member should withdraw his amendment and not send the subject matter to committee after second reading, but send the bill itself. It will not be passed by July 1. Then the point of the hon. member for Waterloo (Mr. McLean) would be answered, as well as the point of the hon. member from Hamilton who said, "Let's have a committee; let's have this and that." At least we would have second reading tonight and it would be sent to committee.

I am sure the hon. Secretary of State would accept it, knowing that we will not get the bill by July 1. I am asking the Secretary of State to accept my proposal to the opposition. I hope we will stop being afraid for the future of the country. Of course we should respect the past, but we should build together and defend national unity. I ask hon. members to build national unity. I do not mean to suggest that they are anti-Canadian or non-Canadian; I never want to be quoted as saying such.

Some hon. Members: Hear, hear!

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the two or three minutes remaining in the debate I want to make it clear that while I appreciate, fully understand and accept the sincerity of the words of the hon. member for

Saint-Denis (Mr. Prud'homme) who just sat down, I question this debate being brought on now on June 29, 1981, when the bill was introduced on June 19, 1980. We have had a whole year in which to consider this bill, but no, they must spring it on us.

The first time I heard about the bill was within the last couple of weeks. I heard that if the government could get a guarantee that it would pass through all stages with one speaker per side, then it would go through. Fine, it would be brought forward. If not, it would go on the back burner.

Mr. Collenette: That is not true.

Mr. Munro (Esquimalt-Saanich): That is the way I heard the arrangements. This was the first part of the arrangements. Therefore, I am triply suspicious of the government's intentions. This is the third time in a fortnight when matters of this sort have been sprung upon us in a most extraordinary way.

The first occasion was approximately two weeks ago when out of the blue the government, for the second time in a decade, decided to have a debate on foreign affairs. We know what the government was doing. It was marking time because it was awaiting a ruling from the Supreme Court of Canada. The second time was when we dealt with CALURA. It was just a filler because the government was pulled up short on some of its estimates and realized it was in deep trouble. This time it is partly that and partly the fact the government is still floundering around, trying to make up its mind on how to deal with the $1.2 billion it was attempting to get illegally out of the House without anyone noticing it. Thank goodness someone noticed it. The hon. member for Calgary Centre (Mr. Andre) managed to bring it forward.

Mr. Fox: Mr. Speaker, I rise on a point of order. Why is the hon. member talking about $1.2 billion when he is supposed to be talking about Dominion Day becoming Canada Day? That is the type of discussion Canadians expect us to have at this time, not to talk about the budget.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I wonder whether I could direct a question to the Parliamentary Secretary to the President of Privy Council. Could he confirm the business for tomorrow?

Mr. Collenette: There will be at least three bills brought forward tomorrow. They are the ones which were introduced today. I believe their numbers are C-77, C-76 and C-75, in that order. At any rate, they are the three bills standing in the name of the Minister of Energy, Mines and Resources, in the reverse order of the way they were presented this afternoon upon introduction.

If we make progress on those three bills, I am sure we could proceed with the other bills which were introduced today. They cover those items in the estimates which were deleted by Madam Speaker about ten days ago.

Mr. Baker (Nepean-Carleton): We are anxious to co-operate with the government with respect to this legislation. Will the parliamentary secretary be in a position tomorrow to give me the exact order of the legislation with which the government intends to proceed? I am sure we can expedite the passage of that legislation.

Mr. Collenette: Mr. Speaker, I am not sure of the exact order. I do not have the exact numbers assigned; but perhaps the Table officials can help us out with this matter. It will definitely be the three bills standing in the name of the Minister of Energy, Mines and Resources, not in the order introduced today but in reverse order. I believe they have been assigned the numbers C-77, C-76 and C-75. We will deal with those three bills in that order. Then perhaps we will proceed to the bill standing in the name of the Minister of Agriculture. That has not been determined at this time. We will advise the parties tomorrow morning through the normal channels.

Mr. Knowles: Mr. Speaker, there have been some discussions with regard to this matter. I believe the order is C-77, C-75 and C-76.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EMPLOYMENT—SUMMER WORKS PROGRAM—REQUEST FOR EXTENSION OF APPLICATION DATE DEADLINE—DISSEMINATION OF INFORMATION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the fact that the Government of Canada can afford to spend tens of millions of dollars on the advertising of those aspects of government policy which it wishes to sell to the public, it seems incredible to me that the Minister of Employment and Immigration (Mr. Axworthy) would suggest to me on April 3 that I, or any other member of Parliament, should be responsible for advertising the student employment program of this government. Perhaps the Minister of Employment and Immigration is not on good terms with the minister for propaganda. In that case, I recommend that he seek reconciliation prior to any program for winter employment so that Canada as a whole might be properly informed.

In a rural constituency it is virtually impossible to have any knowledge of all the people who might wish to apply for projects under make-work programs. If moneys are to be spent for advertising the various departments, it is imperative that

some of it be spent for the general information of the public in a program which can mean so much to the small towns, villages and rural communities of Canada. At this particular time it would be interesting to know what the program for the winter is to be. What will be its name? What class of project will be eligible, and will there be any circulation of the terms and conditions of the program that rural Canadians may have an opportunity to apply for?

There is another aspect of the make-work programs which should be given some consideration. The accumulation of the statistics for the allocation of moneys is not done office by office in the employment and immigration structure. There is an accumulation of information which may be influenced by any part of the region concerned and may reflect very improperly upon other areas. For instance, in the economy of Carleton-Charlotte, as I pointed out last week, fishing, farming and forestry have been adversely affected by catastrophic interest rates and by the increase in the value of the Canadian dollar in respect of some foreign countries. This has brought about a reduction in the return of both raw and finished products which are exported from this constituency. And this constituency depends upon exports. The consequence of such a decline upon income may amount to as much as 24 per cent and as little as 10 per cent in some markets. The consequence of such a decline in income from exports for such an area is obvious even to an amateur economist.

Unfortunately, the nature of employment in Carleton-Charlotte is seasonal. But the allocation of funds for make-work programs does not take this into consideration. Unless there is a very major turn-around in anticipated income, fishermen and fish processors will find themselves with a very low level of income this year and the unemployment figures along the coast of Carleton-Charlotte may reach an all-time high.

● (2205)

Can the minister advise me what particular consideration will be given when allocating winter works moneys for the unusual unemployment that will exist along the Bay of Fundy coast of Carleton-Charlotte? As an example, one processing plant in Campobello burned, and the economic climate is such that it will not be reconstructed in the near future. Will they get any special consideration for this?

In the rest of the fish processing industry, the indication is there will be less employment there as well. So will the Fundy coast get special consideration? Will the data accumulated from that area influence the moneys to be spent in that area? In the village of McAdam, the Georgia Pacific veneer plant has been closed, partly because of weakening of export markets and partly because there is virtually no housing program in Canada at all at this time. Furthermore, the CPR has withdrawn certain of its employment opportunities from McAdam and therefore there is a village of about 1500 people most of whom are unemployed.

Will this now be considered immediately in the accumulation of statistics for the allocation of make-works programs for this winter? I tried to get unemployment statistics which would be applicable to the constituency and I am told they are just not available. However, those statistics which are accumulated in the individual offices of St. Stephens, Woodstock, Florenceville, etc., are put into the pool, and there is not, in fact, a reflection of those who are unemployed, those whose unemployment has expired, and those who have given up in the pursuit of work because there is no work available. But these figures which are publicized would indicate that we are more in line with the city of Fredericton than the city of Saint John in the employment rate, and this is not the case.

While I am quite prepared to acknowledge that there is a higher rate of employment in Carleton-Charlotte than there is in Gloucester or Westmorland-Kent, there is not that much difference that $3 million should have been allocated last winter for Gloucester, $3 million should have been allocated for Westmorland-Kent, and only $178,000 for Carleton-Charlotte, $100,000 for Fundy-Royal and $129,000 for York-Sunbury. Yes, there is a difference, but not that much.

Would the minister consider meeting with members who have problems such as the one I have outlined, to determine a fashion in which allocation might be more rational, as they relate to the unemployment of the individual constituencies, rather than of a region, or of a half of New Brunswick, or whatever way this is put together? It would appear that Carleton-Charlotte will be little better off than Westmorland-Kent, for instance, in the coming winter, as far as employment is concerned.

I appeal to the minister through you, Your Honour, on behalf of the constituents of Carleton-Charlotte and other rural type constituencies which have been short-changed by virtue of a system which does not lend itself to the realities of employment opportunity any more than it would in rural P.E.I., rural Saskatchewan, or any other part of the country. There is no systematic accumulation of statistics which actually apply to any rural constituency in Canada. They are influenced by the cities we place around it.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Minister of Employment and Immigration (Mr. Axworthy) announced the Summer Canada: Student Employment Program on January 22, 1981. A program advertising campaign was held from February 24 to March 6, 1981, and consisted of advertisements in all major newspapers and weeklies throughout the country. In addition, brochures outlining the program were made available to the public in mid-February. This formal advertising campaign was further supplemented by information on the program sent to national organizations and to past sponsors. As well, media coverage in local papers and on radio was arranged through our employment development branch offices.

Mr. McCain: A point of order, please. In my statement, there was no adversiting of anything for Carleton-Charlotte.

Mr. Deputy Speaker: Order, please. In the adjournment debate, no points of order or questions of privilege are considered.

Mr. Henderson: Mr. Speaker, as a result of this advertising campaign, I am pleased to say that we received a high number of applications from the Maritime provinces to the extent, in fact, that the total of the funds requested in these applications exceeds the allocations by a margin of 4.4 to one. In New Brunswick, the funds requested amounted to $8,423,709 while the allocation is $2,085,000, which is a ratio of 4 to one.

The figures show clearly that there has been no apparent problem of lack of awareness of the program and that our publicity has been very successful.

• (2210)

For this reason, and in view of the fact that we already have many more applications than we can fund, there does not appear to be any good reason for extending the deadline and thus delaying both consideration of the projects so far submitted and setting back the date for the start of the selected projects.

MANPOWER—ONTARIO WOMEN'S OUTREACH GROUPS—REQUEST FOR MEETING WITH MINISTER

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, on June 16. I questioned the Minister of Employment and Immigration (Mr. Axworthy) concerning the very serious matters respecting the women's Outreach programs for projects in Ontario. The minister has refused eight times to meet with them. I understand that he still has not met with them personally.

I also raised the question of the very stringent regulations which have been implemented for member Outreach projects and the assimilation policy which is trying to centralize the very projects which were created to meet needs that could not be met in central offices; the frequent reviews that are imposed on these projects and the very-short term, three-month extensions which really in effect are killing Outreach projects across Canada.

I asked the minister about programs which are meeting permanent needs. In particular I mentioned the one with ethnic workers in Vancouver's Chinatown. These kind of permanent Outreach services should be funded in a permanent way as regular services and not simply as short-term projects.

The minister's answer was unsatisfactory. He gave no reply in response to the question about women's Outreach projects. I have checked *Hansard* and found that at least on four other occasions he has avoided this question in the House. He mentioned eight counselling units for women which have been established in manpower offices. While they may be valid services, they will not meet the kinds of special needs which Outreach projects are designed to meet. He talked about computerized job-finding services. This is a good idea and would be complementary to the Outreach service, but it would not replace Outreach in any way. He rationalized what appeared to be cutbacks that he would not admit by saying:

We are reallocating resources and targeting real needs.

The real needs are for Outreach services funded in a permanent way. The values of Manpower Outreach programs for women and for other target groups have been demonstrated repeatedly. Successes are undisputed. In all evaluations, there is considerable documentation about how effective and how economical these services are.

There are 19 Outreach projects for women across Canada. These programs are all facing cutbacks and possible discontinuation. These projects have placed women in jobs. They have increased the number of opportunities for women who have traditionally been out of the labour force. They have provided employment counselling in store front kind of operations in neigbourhood communities. They have helped women who have been out of the labour force and who have little work experience to develop confidence and, new skills in seeking employment, and to keep jobs once they find them. They create support services and help women to have mutual support group sessions. They help them to find the needed child care. They help them to create training programs which are appropriate as well as to get into vocational services in the community.

There are many services provided in an Outreach way which cannot meet the needs of these women in the central offices of the manpower service. Perhaps those services are useful to meet the needs of the more motivated, confident and better educated women who are used to going into big bureaucracies and who know their way around the system. I cannot see them as being appropriate in the same way for older women who have been out of the work force and who lack confidence, or for immigrant women who do not know how to speak English well and do not know what the job market is in Canada, or for teenagers without experience or low-income women who have few skills and little education. These women need Outreach services.

I mentioned the Strathcona Manpower Outreach program which is another example of an essential service which should be funded permanently. It is located in downtown Chinatown in Vancouver. There are three workers who speak Cantonese. It attracts immigrants who do not speak English, immigrant workers who do not know their way around. They need a specific kind of help in their own language. These people know little about Canadian customs and the provisions under the labour code of Canada. They need counselling in their own language about the job situation, information and advice about Canadian customs and how to apply for jobs.

• (2215)

These people have the help of interpreters in filling out forms and getting around the city. As well, they have a very practical training program. For example, at Britannia Centre, a community school, they have set up a very practical program in the garment industry. The immigrants learn how to use Canadian machinery. They may not speak English, but they learn the technical English that is essential for their trade. They also have group sessions. Counsellors go into the English

language classes and talk to them about resources. They also have a referral program operating.

This service has found jobs at a considerably higher rate per worker than the employment and immigration centres. They have found jobs in the garment industry, the hotel and restaurant industry, small businesses such as electronic firms and in fish canneries in Vancouver East. It has been a very worthwhile service, one that is very economical. Very little money has been spent on the bureaucracy. Most of it goes into direct service for clients.

Another Outreach service is the native Outreach program called NEED, Native Employment and Education Development. This is another downtown service in Gastown for native Indians, many of whom come from reserves to the city. They are quite lost when they do not have native people they know in a setting in which they feel comfortable. They go to the drop-in centre where they make friends and have native counsellors to tell them what is being offered.

All the services of the employment centre are decentralized and offered in their own setting. In this way they get access to programs. They get confidence building from Outreach and support services through that centre. It makes them feel confident when looking for jobs and in developing their potential. This service is needed.

I cannot see why the minister, with Treasury Board backing him, would not give high priority to continuing Outreach services. They are economically sound, effective in finding jobs, and help the employers in a much more practical way than central bureaucratic offices. They develop the potential of workers who have special needs and who cannot use the traditional Manpower offices. They create many supportive resources in the community.

Outreach services cost less and produce better results. The needs cannot be met through an assimilation project at the head office. Therefore I appeal to the minister and to Treasury Board: If funds must be cut, cut them from the central bureaucracies and keep the essential Outreach services that I have mentioned.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, there are two separate issues which would appear to have been unfortunately combined in the present public discussions on the Outreach program. One is the policy review presently under way, and the other is the limited size of the program's budget and efforts that are being made to have it supplemented.

Perhaps I should deal with the budget first. The increase in the 1981-82 Outreach budget, as compared with the previous year, does not reflect the present rate of inflation. At the same time, the minister has been anxious to approve as many new projects as possible, particularly projects serving women. This has resulted in rather severe funding pressures on the program and more particularly on the budget of the Ontario region. As soon as this became apparent, efforts were initiated to indentify any funds which might be available for transfer from other programs to Outreach. A decision from Treasury Board on this issue is expected shortly.

● (2220)

In the face of the severe funding limitations, however, the Ontario region was faced with only two alternatives: entering into 12-month contracts with projects for amounts of money which would reflect a decrease in activity compared with 1980-81; or entering into shorter term contracts for levels of activity which generally were consistent with previous activity levels, and relying on the success of the aforementioned efforts to find new money to enable the extension of the contracts at appropriate funding levels. This policy has not been limited to women's projects.

With respect to the second issue, that of future policy directions for Outreach, as with any government program, Outreach has been the subject of a review to determine how it might be improved and what, if any, new policy directions might be contemplated. The desirability for such a review results from a number of factors.

Once the minister has received the recommendations of his deputy minister as to the future role of Outreach, he will determine the nature of any consultations in which he may wish to be personally involved. He has instructed, however, that the analysis of all options reflect the results of the consultations now taking place.

As a final comment I would say that, contrary to some suggestions made in this House, the minister has not moved and is not moving to terminate either the Outreach program itself or Women's Outreach projects specifically. In fact, although final year-end expenditures for 1980-81 are not yet available, approximately $1,346,974, or 13.4 per cent of total Outreach program funds, went to projects serving women exclusively.

This represents an increase of 94.5 per cent over that expended in 1979-80, which was actually $692,567. I should

also point out that over 40 per cent of the clients of all Outreach projects serving all target groups are women. Further, the minister is actively seeking methods of supplementing the Outreach budget and, should additional funds become available, women's projects will continue to receive the highest priority.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 10.22 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 30, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

CALL FOR NEW POLICY TO FIGHT INFLATION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter which is both pressing and urgent. Given that Canada's inflation rate has increased by 5½ per cent in one year, and given that the government's high interest rate policy, which was supposed to slow down inflation, is obviously not working, but is instead causing untold hardship to small businesses, farmers, and those on fixed incomes, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the Prime Minister and the Minister of Finance devise a fair and practical policy to halt the growth of inflation, and abandon their love affair with the Governor of the Bank of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

REPORTED CANCELLATION OF VIA RAIL PASSENGER ROUTES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, it has been brought to my attention that VIA Rail is considering cancelling as many as 16 commuter routes in Canada. One of these routes is the passenger service between Havelock, Peterborough and Toronto. I move, seconded by the hon. member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet):

That none of these routes be terminated in light of the recent Ontario task force report on provincial rail policy, and that serious consideration be given by VIA Rail to extending commuter service, not reducing it, at a time when energy conservation should be the number one priority.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CREDIT FOR SENIOR CITIZENS' HOME UNDER CONSTRUCTION IN MIDLAND, ONT.—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise under the provisions of Standing Order 43. Housing starts in Canada have reached an all-time low under the present government. Credit should therefore be given for every possible start in order to alleviate this embarrassment. Since the senior citizens' home at 551 Hugel Avenue in Midland, Ontario, is being constructed under a building permit issued November 6, 1980, with CMHC funds, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the federal government's construction sign outside the building be updated to delete the designation of the hon. member for Papineau as the minister responsible for Canada Mortgage and Housing Corporation, a post he has not occupied since March 20, 1979, and insert the name of the hon. member for York-Scarborough who has been responsible for CMHC since March 3, 1980.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FOREIGN INVESTMENT REVIEW AGENCY

CALL FOR LEGISLATIVE AMENDMENT TO PROTECT CANADIAN JOBS—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that in Burnaby, British Columbia, Nabob Foods Limited has substantially reduced its work force, eliminating over 150 jobs and cutting product lines since FIRA approved their takeover by a Swiss multinational Jacobs AG in 1976, and in view of the fact that in recent months union members at the Burnaby plant had to endure a union busting unfair labour practice in an attempt to prevent Jacobs from clawing back gains made under earlier contracts, and in view of the fact that the Foreign Investment Review Agency is a toothless wonder not mandated to protect the job security of Canadian workers

employed at plants affected by foreign takeovers, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Industry, Trade and Commerce take immediate action to insist that foreign companies make long-term commitments to jobs in Canada by amending the Foreign Investment Review Agency Act, and take steps to put an end to the massive loss of jobs at the Burnaby Nabob plant.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN SOVEREIGNTY

REJECTION OF COLONIAL STATUS—MOTION UNDER S.O. 43

Mr. Ron Irwin (Sault Ste. Marie): Madam Speaker, I rise under the provisions of Standing Order 43. The hon. member for Provencher (Mr. Epp) stated in his speech yesterday that he rejects the kind of thinking behind the statement, and I quote, "We are no longer a colony of the British empire". I move, seconded by the hon. member for Timmins-Chapleau (Mr. Chénier):

That the House encourage the member for Provencher to continue his trips to former British colonies such as South Africa so that he may enjoy British colonial status, for in Canada he will find, if he chooses to consult with his constituents, that the vast majority do not wish to be considered colonials of the British empire.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Western Arctic (Mr. Nickerson).

* * *

ENERGY

DEVELOPMENT OF NORTHERN POLICY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas on November 24, 1980, the Minister of Indian Affairs and Northern Development (Mr. Munro) promised that a northern energy policy would be developed by March 1981, and whereas on March 24, 1981, under questioning, he put it off until May 1981, and whereas on May 12, 1981, he put it off again and this time promised that it would be ready in June, and whereas today is the last day of June and no northern energy policy has yet materialized, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the Minister of Indian Affairs and Northern Development be censured by this House for his refusal to keep his word, and that he be replaced by someone with at least a modicum of good faith and credibility.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

ENVIRONMENTAL AFFAIRS

RESOLUTION URGING UNITED STATES PRESIDENT TO ACT ON ACID RAIN—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Representatives of the P.C. Youth Federation from across Canada have just returned from observing the national convention in Chicago of the university youth wing of the U.S. Republican Party. Largely because of the persuasive arguments of the P.C. Youth, the college Republicans passed a resolution calling on President Reagan to honour the Canada-U.S. memorandum of intent on acid rain signed between the two countries in August of last year, and further to strengthen U.S. clean air laws rather than weaken them as the U.S. administration appears bent on doing. I therefore move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House joins the PC Youth in expressing the hope that President Reagan will act on the resolution passed by the college Republicans this past weekend.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

CALL FOR LEGISLATION TO PROVIDE BENEFITS TO WOMEN—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House calls on the government to make an immediate commitment to introduce this fall a bill to provide women who work in the home with pensions equivalent to those available under the Canada Pension Plan, such pensions to be available not just to those who could afford to pay a high premium but to all women who work in the home, and this House also calls for the said bill to provide pensions forthwith for women between the ages of 55 and 65 who are alone and who are not in the labour market, it being the view of this House that the needs of such women should be met without further delay.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CUSTOMS AND EXCISE

SUGGESTED INCREASE IN PERSONAL EXEMPTION FOR RETURNING CITIZENS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on an important matter. In view of the fact that Canadians travelling abroad, on returning home after prolonged vacations are permitted $150 worth of duty-free purchases per person if a person has been out of the country for seven days, and in view of the fact that this amount has been badly eroded by inflation over the last decade and barely covers vacation expenses in most instances, I therefore move, seconded by the hon. member for Erie (Mr. Fretz):

That the government give serious consideration to increasing the duty-free purchasing abroad to $250 per person if a person has been away for seven days or longer.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MONARCHY

ISSUANCE OF POSTAGE STAMP TO COMMEMORATE ROYAL WEDDING—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in view of the forthcoming marriage of His Royal Highness the Prince of Wales to Lady Diana Spencer on July 29, 1981, I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the Prime Minister instruct the Postmaster General to issue a postage stamp to commemorate the wedding of the future King and Queen of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

ACTION REQUIRED TO END POSTAL STRIKE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of urgency under the provisions of Standing Order 43. Today on the eve of Canada's national 114th birthday we have litle to celebrate. Canadians again have to endure the disruptive effects of a nationwide postal strike, a strike, I might add, which causes extreme hardship for many, and daily aggravation for all. In light of the fact the Prime Minister (Mr. Trudeau) was denied his constitutional package as his Dominion Day birthday gift, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the President of the Treasury Board provide the Prime Minister with a gift of greater value and take immediate steps to end the postal strike today. If he did this, Canadians would have reason to join in the singalong at noon tomorrow.

Madam Speaker: Apart from the fact that the hon. member for Simcoe North (Mr. Lewis) is not in the House, is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

CANADA DAY

DECLARATION RESOLUTION—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise seeking the attention of all hon. members of this House on a matter of urgent and pressing necessity, under the terms of Standing Order 43. In view of the fact that yesterday the Conservatives refused to pass Bill C-37, to amend the Holidays Act, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert) and the hon. member for Sherbrooke (Mr. Pelletier):

That this House recognize tomorrow, July 1, and every July 1 thereafter, as Canada Day.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

ACTION TO END POSTAL STRIKE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the President of the Treasury Board, the minister responsible for disruptions of services in the Public Service of Canada. After a long period in which Radio-Canada and CBC have been on strike we now have a situation in which some 23,000 postal clerks and mail handlers are out on strike today. When we take account of the fact that last fall some 48,000 clerks were out, that means that in the last eight months alone nearly one quarter of the public servants under the direct authority of the President of the Treasury Board have been out on strike. That indicates a terrible record of labour relations by this government.

Now that that record has deprived Canadians of the right to receive their mail, may I ask the President of the Treasury Board what action he plans to take now to bring an end to this postal strike before it can cause real and deep damage to Canadians in all walks of life?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am frankly hurt by the comments of the Right Hon. Leader of the Opposition with respect to my record in negotiating settlements. I might refer him to an article in the Toronto *Star*—

Some hon. Members: Oh, oh!

Mr. Johnston: This is a quotation from William Doherty, who is the first vice-president of the Public Service Alliance of Canada. He says:

—"dozens and dozens" of disagreements between the government and its workers are settled peacefully under the collective bargaining system.

The public's attention isn't drawn to these because "the only time the media pays any attention is when things get down to the wire and there's a major strike threatened."

For example, there was practically no media interest recently when . . . an agreement between the government and 19,000 of its blue collar workers across the country—

Was reached.

Some hon. Members: Hear, hear!

Mr. Johnston: I think the government is in fact to be congratulated for the record it has in the settling of disputes in the public sector.

Mr. Clark: Madam Speaker, this government is unbelievable. The minister stands up in this House and says he is hurt. The people who are hurt by his actions are elderly Canadians, small businesses and others who count upon their mail service, a service which has been denied them by the incompetence of this government.

Any minister who could stand and be proud of having one quarter of the people who work under his authority out on strike in eight months is a minister who deserves to resign immediately.

The minister knows that the difference between the government's offer last Friday and the cost of the conciliation board report is less than 2 per cent, and yet the government maintained that the board's recommendation could not even form the basis of negotiations. The minister also knows that his best chance of a settlement at less than that extra 2 per cent was to negotiate to a settlement before a strike, and that the longer the strike goes on the higher the cost will be to Canadians.

MINISTER'S POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the President of the Treasury Board explain to this House of Commons why he deliberately provoked a strike which is going to wreak such havoc on so many Canadians when he knows that a settlement was available and that a settlement later will cost the government and the people much more than a settlement would have this past weekend?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the Right Hon. Leader of the Opposition is not inhibited by facts. I will give him a few facts, in the event Your Honour offers him an opportunity of asking another supplementary question.

In fact the position of the union has been that it will not return to the bargaining table unless every element of the recommendations of the chairman of the conciliation board is accepted. That would produce an increase in the over-all rate, as indicated by the Right Hon. Leader of the Opposition—an increase, incidentally, which would take us into a very high range of settlements across the country, which would be a very serious matter indeed. However, going beyond that, I have with me a letter from the president of the union, who says that having accepted that and then returning to the table, we will begin to negotiate the questions raised in the union minority report of Mr. Desmarais.

That report embraces such things as wages, for example, where Mr. Desmarais recommended that there be an untriggered COLA, which automatically gives us a rate of something in the neighbourhood of 13 per cent because it is compounded on a quarterly basis as the Right Hon. Leader of the Opposition knows, plus the settlement itself which was requested, that would bring the over-all rate to 22.58 per cent. I am surprised that the Leader of the Progressive Conservative Party, concerned as he pretends to be about restraint and the deficit, would even suggest that we should negotiate a settlement on that basis.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, it is no wonder that we have no postal service in the country starting today, when we have the minister responsible for negotiating the government side who has twice in the House misrepresented publicly the position of the union. Perhaps it is because he knows it is not the most popular union in the country and he is looking for a scapegoat upon whom he can blame the inefficiency of his government.

Some hon. Members: Oh, oh!

Mr. Clark: The minister has not yet explained what he intends to do to ensure that Canadians have the benefit of their postal service.

● (1420)

ROLE OF POSTMASTER GENERAL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Postmaster General. He will remember that when post office strikes were averted, either last year by this Postmaster General or the year before by the hon. member for Vancouver South, they were avoided by the direct involvement of the Postmaster General. Will the Postmaster General tell the House why he has not taken a direct role in trying to avoid this strike, as he did last year?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I want to say to the Leader of the Official Opposition that so far the Treasury Board has conducted the negotiations in impeccable fashion, and I find it altogether deplorable that the Canadian Union of Postal Workers has refused to pursue the negotiations and is now in a position to strike. Keeping in mind the generous offers made by the Treasury Board on behalf of the government, I suggest that the attitude of the leaders of the Canadian Union of Postal Workers is inexplicable. Rather than launching into this war of words which reflects a blatant lack of responsibility on the part of the Leader of the Opposition, members opposite would be much better advised to urge the postal workers to return to the negotiation table with a view to ending the current postal strike through a negotiated settlement.

[*English*]

EXCLUSION OF POSTMASTER GENERAL FROM NEGOTIATIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, for the third time today a minister has refused to answer a question. The minister knows that when governments wanted a postal settlement in the past and not a strike, they sent in the Postmaster General to negotiate. That was not done this time. Why, when it was done successfully on the last two occasions, was it not done this time?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, periodically we have reached settlements with several unions of the Post Office Department without strike action on their part. Quite recently the Treasury Board reached a settlement with postal carriers through the normal negotiation process without the need for a strike. I have no reason to claim at this time that there are not enough elements on the negotiation table to enable us to arrive at a negotiated settlement, to the extent where the leaders of the Canadian union of Postal Workers are prepared to discuss conscientiously and responsibly with the negotiating unit of the Canadian government. Madam Speaker, I would suggest to the Leader of the Official Opposition that, instead of trying to score political points and acting as a petty demagogue, he ought to recommend to the postal leaders that they resume negotiations.

● (1425)

[*English*]

CONTENTS OF GOVERNMENT'S OFFER TO UNION

Mr. John Bosley (Don Valley West): Madam Speaker, my question is for the President of the Treasury Board who has made some allegations about the existing position of the negotiations. Yesterday in the House the minister indicated that the government was presenting a final offer yesterday, "a full package on all outstanding issues." The minister maintains that the reason we do not have negotiations is because the union will not negotiate. Why did the government's offer yesterday contain for the first time matters which had not been recommended by its nominee or by itself? In other words, why was the offer made yesterday worse than any previous offer made to the union?

I refer specifically to the fact that the offer contained roll-back provisions, taking away rights granted in previous contracts, roll-back provisions which had not been previously demanded by the government or by its nominee in this round of bargaining. Since the minister says he believes in bargaining in good faith, why was bargaining in such bad faith entered into yesterday? Why should the people of Canada believe that the offer was made with any other intent than to create a strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am sure the people of Canada will accept our view and our word; we had no intention of creating a strike.

Some hon. Members: Oh, oh!

Mr. Johnston: Moreover, I point out to the hon. member the reason the package was delivered was that we had no other way of communicating with the union. The union left the negotiating room on Friday and we invited them back to the negotiating table. I have already answered why they did not come back—because they said there was a pre-condition. The only way we could convey the position we had on these various elements was to put them into a package and send it to them, hoping that those elements would form the basis of negotiation. The normal course would be to sit down then at the table with their position, as I have explained it to the Right Hon. Leader of the Opposition, and negotiate a satisfactory settlement. The union has categorically refused to do that to date.

I share the wish of my colleague, the Postmaster General, that the union will reconsider its position, particularly in view of the major movement which we made in terms of paid marternity leave, and return to the table and negotiate a satisfactory settlement immediately.

Mr. Bosley: Madam Speaker, the minister knows full well that the offer which was made yesterday is worse than the offer which was made last week. That is never the basis for entering into good faith bargaining at this late stage, as he will find out if he checks with the Minister of Labour.

COST OF STRIKE TO PUBLIC

Mr. John Bosley (Don Valley West): Madam Speaker, given that the minister has refused to enter into negotiations in good faith, and given that the spread between the two parties in real dollar terms is about 2 per cent—and those are Treasury Board figures—can the minister tell us whether the Treasury Board has costed the effect of this strike to Canadians in all walks of life? Will the minister tell the House how

many hours, or even minutes, it will take before the strike costs the people of Canada more than it would have cost the government to settle this past weekend?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, let me assure the House that members opposite have no monopoly on concern for the people of Canada and the difficulties they will have in enduring this strike. The only monopoly most members opposite seem to have is one on complete and utter fiscal irresponsibility.

Some hon. Members: Hear, hear!

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TRADE

UPGRADING OF RAW MATERIALS AND RESOURCES BEFORE EXPORTATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of State for Trade. As the minister is no doubt aware, Canada's share of world trade dropped by some 33 per cent during the decade of the 1970s, particularly in manufacturing finished products. Is it the intention of the government to bring in a new trade policy which would require greater upgrading of raw materials and resources before they leave this country, thus providing jobs in Canada instead of elsewhere in the world?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, first I would like to congratulate the hon. member on his new responsibility with respect to trade. I look forward to working with him in the coming days in this regard.

It has been a policy of the Government of Canada to put greater emphasis on the further processing of our raw materials, and in particular on the sale of end products to other countries. Once the hon. member has a detailed look at our trade figures he will find that although our end products decreased last year, partially manufactured products increased substantially. This also has a substantial labour component. Last year was the first time in the last nine years that there was a surplus in the combination of Canadian end products and partially manufactured products.

● (1430)

RESTRICTIONS ON CANADIAN SUBSIDIARIES OF FOREIGN MANUFACTURERS

Mr. Lorne Nystrom (Yorkton-Melville): Despite what the minister has said, Madam Speaker, last year in this country, in terms of finished products, we had a deficit of some $18 billion. I am sure the minster is also aware that many Canadian subsidiaries of foreign manufacturers are prohibited by their head offices from entering into world markets. What effort is being made to free them from this restriction, on behalf of Canada?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, I ask the hon. member to look in further detail, as I responded in my first reply, at partially manufactured products. He is right with respect to the deficit in end products, but in partially manufactured products which, for example, include lumber from western Canada for houses in Japan, and is not classified as an end product because we do not ship the houses, and newsprint which is classified as a partially manufactured product yet we do not ship newspapers, if he looks at the whole broad spectrum of partially manufactured products rather than end products, he will see that we had a surplus rather than a deficit.

With regard to the second part of the hon. member's question concerning branch plants of foreign multinationals, my colleague, the Minister of Industry, Trade and Commerce, is putting a great deal of emphasis on World product mandating. We have several excellent examples in Canada of branch plants of foreign based multinationals doing an excellent job in the export of products manufactured in Canada.

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RAILWAYS

REPORTED PHASING-OUT OF VIA RAIL PASSENGER ROUTES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is addressed to the Minister of Transport. It deals with the apparent announcement yesterday that certain VIA passenger services are to be abandoned or phased out, including the Barrie-Toronto run, Stouffville-Toronto run, and the Havelock-Peterborough-Toronto run. Is it true that the phasing out of those three lines is under consideration and that it is anticipated that the lines will be turned over to the Ontario government to run as part of their GO train service? If that is the intention of the federal government, has it notified the Ontario government that such an action is planned?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision of cabinet has not been made on this subject. As we are reviewing everything that concerns VIA, hon. members should understand that what the hon. member mentions may be part of the review now taking place. I would like the House to understand immediately that the purpose of this minister and cabinet is to save VIA, to break the vicious circle which now exists under which we have constantly escalating operational deficits for VIA. Because of a number of restraints we are not capable of improving the capital budget of VIA so that this vicious circle can be broken and VIA can begin to be a much more modern and able passenger transportation company than it has been up until now.

SUBSIDIZATION OF COMMUTER SERVICES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I hope the Minister of Transport will tell the House why he seems to have such a double standard. It was only on June 26 that he agreed to a $40 million special federal subsidy to re-equip commuter train services in the Montreal area. Yet he tells us in the name of restraint he intends to cut back on VIA and

intends presumably to put more costs on the Ontario government, a government that he has already reneged on paying $30 million which was pledged by his predecessor in that portfolio. Why does the minister have this double standard whereby in some cases cabinet decisions have been arrived at to give a $40 million subsidy to help the commuter to and from work in Montreal, but there is no such subsidy for those in the Toronto area?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it has been the policy of the government since 1975, and even before that, that commuter services, because of the nature of their operations, are a municipal-provincial responsibility, not a federal one. This was confirmed by decisions of the CTC in a number of instances. What has happened in Montreal is a recognition of that fact. Because these lines in the city of Montreal have been neglected for a number of years, the Government of Canada decided to make a contribution, as it did in Toronto in 1967.

I would also point out that $30 million of that $80 million that is going to urban transportation in Montreal is given under the UTAP program, which is a decision that the Quebec government has made, allocating that amount of money to this particular purpose. Any province can do that. However, Ontario has not decided to do that.

MEASURES TO AID MOVEMENT OF INCREASED EXPORTS OF GRAIN

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a question for the Minister of Transport. Considering the prospect of rail rationing in western Canada, and given the fact that Canada's grain carrying fleet will be reduced by some 50 per cent by 1985 due to the retirement of some 7,000 boxcars because of age, what program or steps is the federal government taking to ensure that adequate rolling stock will be available to move the anticipated export shipments of 30 million tonnes by 1985? Specifically, why has the minister's department not yet accepted the proposal of the grain transport authority, endorsed by the advisory committee of the Canadian Wheat, Board, to acquire 1,300 new units of rolling stock on an annual basis for the next five years?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is the view of the government based on a number of studies, some of them by the grain transport co-ordinator, that there is no need for more hopper cars this year. The lead time for ordering hopper cars is, I understand, six months. The government will have plenty of time to order needed hopper cars for the next year, if that assessment is made.

GOVERNMENT POLICY ON USE OF RAILWAY SERVICES

Hon. Don Mazankowski (Vegreville): There seems to be some inconsistency, Madam Speaker. A spokesman for the government suggested there will be rationing in western Canada of the utilization of the rail system. I will direct this question to the Prime Minister. Was the government leader in the other place expressing government policy when he said this past weekend that the federal government plans to ration western Canadian rail space with a system of allotments for exports from the west? That was stated by the Hon. Senator Ray Perrault. He indicated that by 1985 it will be necessary to ration rail space in western Canada. Will the Prime Minister advise if that is an expression of government policy? If so, it is a classic cop out.

How will the government have sufficient capacity to move the anticipated 70 per cent increase in rail tonnage over the next five years and meet the anticipated export target of 30 million tonnes of grain by the year 1985?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the leader of the government in the Senate was simply expressing the view that unless something is done in due time, this is the situation that will exist in 1985. That is what he said. There would be a possibility of rationing of the main line. He was projecting to the future what will happen if decisions are not made, but those decisions will of course be made.

* * *

• (1440)

HEALTH AND WELFARE

STATUS OF ROBERTSHAW STUDY OF CHILD FATALITIES CAUSED BY PARENTAL NEGLECT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. On April 21 in this House the minister assured the people of Canada that the Robertshaw study on child abuse, which was looking into problems which lead to the deaths of up to 200 children per year, was completed. The minister further stated that:

> I am happy to say that I shall publish her report on child abuse.

Since there appears to be some discrepancy as to the status of this report and seeing as no report has yet been published, could the minister inform the House whether it is the study of the issue that has been completed, or the final written report, including recommendations, or had Mrs. Robertshaw been taken off the project before she had completed the real work she set out to do?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the study conducted by Mrs. Corinne Robertshaw is of a judicial nature and deals with child welfare legislation especially the provisions to protect children against violent abuse. We could obviously continue our investigation. However we considered this study could serve as a good working paper. As I said several weeks ago, we would publish whatever we could with the approval of our contacts. I should have a report within a few hours on the extent of what can be made public, but I know that to protect

the children, several of our contacts would not allow us to publish the entire report. The work was completed in a satisfactory way a few days ago so that it will now be up to the parties concerned, in particular the provinces, to decide what they will do next.

[*English*]

RESPONSIBILITY CENTRE FOR CHILDREN

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the reason the minister has had difficulty getting some of this material released for publication is that people do not want to do anything which would preclude the completion of the final written report. It is the written report which the minister promised us on April 21. Therefore I repeat my questions to the minister. Has Corinne Robertshaw written a final report? If not, why not? If so, where is it? What is the mandate of the responsibility centre for children which the minister also mentioned on April 21 about which there has been no press release nor any details? When will the minister make good on her commitment to publish the written report and tell us something more about this responsibility centre for children that she was so rhetorical about two months ago?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I think the hon. member is confusing several issues here. The Robertshaw study was conducted under the auspices of my department by this researcher with the assistance of another department. The study was supposed to last a couple of months but it finally stretched into twice that, if not three times. I think it has progressed to the point where we could publish the recommendations. As I just said to the hon. member, I should be advised within a couple of hours on the substance of the matter because I think some informers did not want their testimonies to be published. We will publish what we can. There is no need for the hon. member to cause a scandal or a controversy over something which is not that.

* * *

NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT—ECONOMIC CONSEQUENCES FOR QUEBEC

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I should like to direct a question to the Minister of Supply and Services about the situation regarding the F-18 fighter aircraft. According to press reports over the past few days and especially yesterday, the F-18 fighters would be by-passing Quebec, and three quarters of the economic fall-outs which had been promised to Quebec would practically disappear. Could the minister indicate what actually are the figures involved in these economic fall-outs from the F-18 contract, and whether to date the terms of the agreement have been fully met by McDonnell Douglas? Also, in case of non-compliance with these terms by the corporation, are penalties provided for under this contract?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I dare hope McDonnell Douglas will comply with all the terms of this contract. I should like to point out to the hon. member that when the contract was signed, McDonnell Douglas indicated that some $1,570 million in economic fall-outs would go to the province of Quebec. I must add that my colleague, the Minister of National Defence, and I were both in Bromont yesterday for the official opening of a new vane and blade manufacturing plant which should generate some $600 million in economic activities. The original agreement called for only $60 million in respect to this plant, and the corporation has already promised to invest $97 million; moreover, nearly $500 million in economic activities will be generated between now and 1995. While there, we also announced a contract between McDonnell Douglas and Canadair which should yield nearly $92 million in economic fall-out. There is also a new digital rolling mill which has been promised, so that the benefits to date exceed the expectations of the original contract with the corporation.

* * *

[*English*]

MARINE TRANSPORT

MINISTER'S POSITION RESPECTING CAST SHIPPING GROUP

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Transport concerning the involvement of the Canadian National Railway Company in marine transportation. The minister has been warned that CNR's involvement in the Cast shipping group would create problems in Canadian ports. The minister knows that the U.S. Congress is considering a law to control marine carriers which transport U.S. cargo through Canadian ports, and he has caused diplomatic representations to be made to the U.S. Congress.

The minister must know that this law was motivated by Cast's predatory pricing policies, by its support from the Government of Canada, and by the CNR through financial assistance, through sweetheart deals in the port of Montreal, and in other ways. How will the minister explain his position to the U.S. Congress, and how will he explain this government's position to this House?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think my hon. friend is exaggerating unnecessarily. This attempt by the Congress in the United States to pass a bill affecting transportation of U.S. goods into Canada is one that comes forward at regular intervals in the United States. The Department of External Affairs is aware of the situation, and it has sent a note through the embassy to the Congress on this subject. Congressmen, who are quite intelligent as are members of Parliament, will sooner or later understand that this is not a good line to take, because on the west coast the

situation is exactly the opposite. On the west coast Canadian shippers make greater use of U.S. ports than vice versa. Therefore, we have a balancing act, and I am quite sure that reason will prevail in the House of Representatives.

REQUEST FOR GENERAL INQUIRY INTO EAST COAST SHIPPING

Mr. Howard Crosby (Halifax West): Madam Speaker, I am pleased to know that the minister thinks I am exaggerating, because Mr. Richard Lidinsky, in testifying before a committee of the U.S. Congress, referred to the Cast shipping group as a James Bond-type of operation and he asked Congress to pass this law. Does the minister not think, in view of the allegations that have been made in the United States, in view of the fact that the Dart shipping group moved from the port of Halifax to the port of Montreal because of the Cast-CN connection, that it is time to call, under the provisions of the National Transportation Act, a general inquiry into shipping traffic through east coast ports so that all of those concerned in the shipping industry in Canada will have an opportunity to present their views? This time Mr. Bandine may be willing to testify, because he was not willing to testify in the hearing held in Halifax by the CTC concerning Dart and the CPR.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sorry but I do not have before me the curriculum vitae of the gentleman whom the hon. member mentioned a moment ago. But the information I have is that he is working for one of the ports on the east coast, which makes him somewhat of a party in the debate.

On the subject of the relationship between Halifax and Montreal and other ports on the east coast, I thought there was a good airing of the subject in Halifax a few days ago, and I am quite sure there will be other opportunities.

* * *

FITNESS AND AMATEUR SPORT

CONSIDERATION OF ALL-INCLUSIVE SPORTS BETTING PROGRAM

Mr. Otto Jelinek (Halton): Madam Speaker, my question is for the minister responsible for fitness and amateur sport. It deals with my question to the minister of last Friday, which reads in part, as reported in *Hansard* at page 10983:

> Is the minister telling us that neither his department nor any other department of government has been considering sports betting?

The minister responded, in part, as follows:

> We do not contemplate any such scheme as the hon. member has mentioned.

I would suggest that the minister was either ignorant of matters relating to his jurisdiction or he was misleading this House, because I have here a sample of a betting ticket produced by the federal government which would bet on 15 hockey games, called Sports Select. This is not Loto Select nor the computerized games. Therefore I ask the minister to set aside his sarcasm of last Friday and try to give an honest and intelligent answer on this matter.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, if the hon. member will review what he asked last week, he asked if we were considering a plan of all sports betting, and he went on at some length about people being able to wager on various individual games. Perhaps he would like to review what he said in that regard.

If he wants to he could also review my answer to his supplementary question, in which he asked if I was prepared to say that we were not going to have anything to do with any sort of lottery type games or any sort of wagering. I indicated to him that I was certainly not prepared to do that because we are examining the possibility of getting back into lotteries, and we are examining other schemes of a similar nature, but no decision has been made in one direction. I would be happy to have any representations that the hon. member wants to make. It may be that he can convince the hon. member for Edmonton North that his party made a terrible error in giving away the lotteries.

• (1450)

GOVERNMENT PLANS

Mr. Otto Jelinek (Halton): Madam Speaker, I knew that the Prime Minister does not always tell the truth, but now the disease is spreading to the minister as well.

Some hon. Members: Oh, oh!

Mr. Jelinek: Madam Speaker, on Friday the minister categorically denied—

Some hon. Members: Oh, oh!

An hon. Member: Withdraw.

Madam Speaker: Order, please. If the hon. member has a supplementary he can ask it right now.

An hon. Member: Withdraw.

Mr. Jelinek: If the penguins across the way would give me an opportunity, I will. On Friday the minister categorically denied the government was even considering sports betting, and I quoted "sports betting". Now there is a sample ticket which the government has produced for hockey sports betting.

Some hon. Members: Oh, oh!

Mr. Jelinek: If the government is not considering this type of sports betting, which on Friday the minister categorically denied, what is the minister considering? What is the program for future gambling operations of the government when the Liberal government prior to this one assured this House that it would not go beyond the Montreal Olympic betting operation?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member may remember that last week I told him he

was skating on thin ice. It has just broken, and he is in deep water now.

Some hon. Members: Hear, hear!

Mr. Regan: What the hon. member says is totally incorrect.

Mr. Clark: Is it a lie?

Mr. Regan: The Leader of the Opposition seems to be having trouble, or a fit, or something. Perhaps he can let me answer the question for the hon. member. The hon. member says that the government said it would never go beyond paying off the Olympics in Montreal. It never said any such thing. Furthermore—

Mr. Jelinek: You were not here.

Mr. Regan: Furthermore, Madam Speaker, long after that the government was still in Loto Canada. The party opposite was involved in Loto Canada when it formed the government, so it would have been in breach as well. This government is looking at various options. I have not even had the privilege to see the form that the hon. member is looking at, but I will be happy to examine it if he would like to send it over.

* * *

RAILWAYS

INSTALLATION OF HOT BOX DETECTORS

Mr. Les Benjamin (Regina West): Madam Speaker, let us go back to the Minister of Transport and some more gambling with safety and lives.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Benjamin: Since the railroads and the chemical and dangerous goods manufacturers are weeping and wailing and pleading high costs before the Canadian Transport Commission on the implementation of the Grange report, and since the bible of the Liberal party, the *Toronto Star*, says that the required changes in rail safety regulations should be made regardless of the cost, I should like to ask the Minister of Transport if he will call upon the CTC to order the railroads to speed up substantially their installation of hot box detectors on all the main and secondary freight and passenger rail lines in Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the CTC has already done that. While the hearings are going on, and I understand that they are coming to a conclusion now, the CTC has issued an order telling CP to implement in the next year the plan that they had for 1985, if my memory serves me well.

The Grange Commission made a number of recommendations. I have already reported to the House on that subject. Nine of them are presently being implemented, and six are before the CTC.

I received a letter recently from a distinguished minister of the government of Saskatchewan, telling me that there must be a happy medium between preoccupation with safety, which obviously is important, and the economic health of the country. I suggest that this would be good reading for the hon. member for Regina West.

CONVERSION TO ROLLER-BEARING EQUIPMENT

Mr. Les Benjamin (Regina West): Madam Speaker, the distinguished minister in Saskatchewan knows how slowly this Minister of Transport, and previous ones, and the CTC have moved, and that this could affect the movement of commodities out of western Canada very seriously.

Since the incident at Sundridge, Ontario, occurred on a CNR line from Toronto to North Bay, which has no hot box detectors on it, I hope the minister will see to it that the CTC looks into that matter.

Would the minister also request the CTC to order the railroads to increase substantially the conversion of their rolling stock to roller-bearing equipment rather than brass journals, so that the time-frame for this work to be done can be substantially reduced and thus, in turn, reduce the number of accidents we are getting?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the purpose is obviously to reduce the number of accidents we are getting, as the hon. member says. But I was looking yesterday at another accident in White River, Ontario, where the train was equipped with roller bearings. This proves that, with or without roller bearings, there will be accidents. My old friend is right, however, that an effort should be made to reduce the number of accidents. This was the purpose of the Grange report, and it is the purpose of the hearing before the CTC now.

* * *

EMPLOYMENT

APPOINTMENT OF DIRECTOR OF ROYAL BOTANICAL GARDENS IN HAMILTON, ONT.

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The minister should know that Canadians are now the world leaders in ornamental horticulture, and Canadian gardens located in several parts of Canada, including Montreal, Victoria and Niagara, are viewed by travellers as superior to most in the world. Will the minister tell the House why a work permit was approved for the Royal Botanical Gardens in Hamilton to allow it to appoint a person other than a Canadian to the post of director?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I thank the hon member for the

information about the importance of ornamental gardening. That particular case was reviewed very carefully by officials of the department. We sent forward very specific requirements for a major job search to be done throughout Canada. That was done and a number of applications were received and reviewed. We never try to intervene in the actual selection procedure. We do insist, however, that Canadians be given an opportunity to make application for the job. Those requirements were fulfilled in this case by the Royal Botanical Gardens.

ISSUANCE OF WORK PERMIT TO NON-CANADIAN

Mr. Joe Reid (St. Catharines): Madam Speaker, the minister took the position in the Stratford Festival instance that he had to be shown that a proper and extensive search was made to make certain that Canadians would have first opportunity to take that kind of job. How can the minister approve such a work permit when the Royal Botanical Gardens did not follow the usual procedures in seeking a qualified person to fill that position, and when only about 1 per cent of qualified Canadians even knew that such a job vacancy existed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I would be very pleased to receive the information from the hon. member because it does not conform to the facts presented to me which are that a very expensive advertising campaign was undertaken in a wide variety of trade journals and magazines. A good number of applications were received but the job requirements called for very specific qualifications which, in this case, could not be met by Canadians.

As the hon. member knows, we apply very strict requirements for a "Canadians first" policy which works in most cases. We cannot and do not want totally and completely to exclude skilled people from coming into the country when they have the qualifications that we need.

* * *

IMMIGRATION

ADMISSION OF MARIAN STASTNY TO CANADA

Mr. David Orlikow (Winnipeg North): Madam Speaker, I should like to direct my question to the Minister of Employment and Immigration. According to Austrian authorities there are 10,000 refugees from eastern Europe in Vienna, many of whom want to come to Canada, have applied for permission, and have to wait for long periods of time before their applications are even considered. Given those facts, I should like to ask the minister how it is possible and by whom it was arranged that Marian Stastny could go to Vienna and within a few hours of visiting the Canadian Embassy, be on a plane coming to Canada?

Hon. Loyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, we have a special category of immigration for those who come from Eastern Europe. We call it the self-exiled class. They are given very minimal requirements to meet, basically health and security checks. We have substantially increased the levels we set for that class this year, up to 4,000, which is an increase of 1,000 over the previous year. In this case the application by Marian Stastny was under that classification. He was given no privileges different from anybody else, with one exception. It was the judgment of our officials in Vienna that he was under real threat and his security could not be protected. Under those circumstances we afforded him the same kind of protection we afford anybody in those circumstances; if we cannot guarantee security in Austria they are given the chance to come here and then go through landing procedures here in Canada.

* * *

• (1500)

PETITION

MR. CLARKE—LANDING FEES AT VANCOUVER INTERNATIONAL AIRPORT

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the fifty-eighth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Vancouver Quadra (Mr. Clarke) and finds that it meets the requirements of the Standing Orders as to form.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills to which the concurrence of this House is desired: Bill S-20, an Act to revive Ontario News Company, Limited and to provide for its continuance under the Canada Business Corporations Act; Bill S-21 an Act to revive G.A. Barber & Sons Limited and to provide for its continuance under the Canada Business Corporations Act; and Bill S-22, an Act to revive Eastern Diversified Company Ltd. and to provide for its continuance under the Canada Business Corporations Act.

* * *

[*English*]

POINTS OF ORDER

MR. MAZANKOWSKI—ALLEGED REFUSAL OF THE PRIME MINISTER TO ANSWER QUESTION IN THE HOUSE

Hon. Don Mazankowski (Vegreville): Madam Speaker, I rise on a point of order arising out of the Prime Minister's refusal to answer my question. I know the Prime Minister

(Mr. Trudeau) or any other minister under the rules of the House is not obligated to give an answer to any specific question. However, when a member of his cabinet makes a definitive statement about government policy or the government's intention, surely we as members of this House have the right to know whether that statement is an accurate reflection of government policy. If the Prime Minister is not prepared to answer these kinds of questions, perhaps the least he might do is to consider putting a muzzle on some of his ministers to avoid the unnecessary confusion.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is not at all a point of order. The question was given a perfectly honest and straightforward answer by the minister.

An hon. Member: How do you know? You didn't even listen.

Mr. Trudeau: Of course I listened to the question and I listened to the answer. What I did not hear was Senator Perrault's speech, but I am assured by the Minister of Transport (Mr. Pepin), as he told the House, that Senator Perrault's speech was quite clear, that as certain things were not done—The hon. member shakes his head. I would like to know what authority he has for shaking his head and denying what the minister has said.

Some hon. Members: Oh, oh!

Mr. Trudeau: If the hon. member had not been so prone to defying when I talked about double-tracking, he would know that we are, indeed, interested in solving this problem, in spite of the guffaws of the hon. member.

Some hon. Members: Oh, oh!

Madam Speaker: This, of course, is not really a point of order. Hon. members will have me shaking my head before members who continue to debate once the question period is over.

[*Translation*]

MR. PINARD—BUSINESS OF THE HOUSE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with respect, I would like to refer you to the order passed by the House last week which specifies that at precisely three o'clock the questions relating to the business of supply must be put. I therefore respectfully suggest, Madam Speaker, that you call the vote on the appropriate questions before calling other items of business.

Madam Speaker: I am willing to proceed immediately. We often consider that three o'clock means following routine proceedings, but if the House so wishes, I can dispose immediately of the votes which should be held now.

It being 3:05 p.m., pursuant to the order made Thursday, June 25, 1981, the House will now proceed to the vote on the questions necessary to dispose of the business of supply.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

MOTION FOR CONCURRENCE IN VOTE 1, PARLIAMENT

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $12,692,000 under Parliament for the Senate—Program Expenditures, in the Main Estimates for the fiscal year ending March 31, 1982 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: The first question will be the deferred vote by roll call on the motion in the name of the President of the Treasury Board relative to Vote 1 under Parliament for the Senate in the Main Estimates for 1981-82.

Call in the members.

The House divided on the motion of Mr. Johnston which was agreed to on the following division:

(*Division No. 80*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Cardiff
Chénier
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Crosby (Halifax West)
Cullen
Cyr
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Fretz
Frith
Gamble
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Hamilton (Qu'Appelle-Moose Mountain)
Hawkes
Henderson
Herbert

Messieurs

Hervieux-Payette (Mrs.)	MacDonald (Miss)	Prud'homme
Hopkins	MacGuigan	Regan
Hudecki	Mackasey	Reid (St. Catharines)
Irwin	MacLaren	Roberts
Isabelle	MacLellan	Robinson (Etobicoke-Lakeshore)
Jarvis	Malépart	Rompkey
Jelinek	Maltais	Rooney
Johnston	Marceau	Rossi
Joyal	Massé	Roy
Kaplan	Masters	Savard
Kelly	Mazankowski	Schroder
Kempling	McCain	Scott
Killens (Mrs.)	McDermid	(Hamilton-Wentworth)
Korchinski	McGrath	Scott
Kushner	McKinnon	(Victoria-Haliburton)
Lachance	McKnight	Simmons
Lajoie	McLean	Smith
Lalonde	McMillan	Stevens
Lambert	McRae	Stewart
Lamontagne	Munro	Stollery
Lang	(Esquimalt-Saanich)	Tardif
Laniel	Munro	Tessier
Lapierre	(Hamilton East)	Thacker
Lapointe	Neil	Tobin
(Charlevoix)	Nicholson	Tousignant
Lapointe	(Miss)	Trudeau
(Beauce)	Nickerson	Turner
Lawrence	Olivier	Vankoughnet
LeBlanc	Ostiguy	Veillette
Lefebvre	Ouellet	Watson
Lewis	Paproski	Weatherhead
Loiselle	Parent	Whelan
Lonsdale	Pelletier	Wise
Lumley	Pepin	Yanakis
MacBain	Peterson	Yurko—187.
	Pinard	
	Portelance	

NAYS

Messrs.

Benjamin	Keeper	Orlikow
Blackburn	Knowles	Robinson
Blaikie	Lewycky	(Burnaby)
Deans	Mitchell	Young—12.
Ittinuar	(Mrs.)	

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to.

● (1530)

MOTION FOR CONCURRENCE IN MAIN ESTIMATES, 1981-82

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the Main Estimates for 1981-82, laid upon the Table, Thursday, February 26, 1981, except the item disposed of earlier this day, the items ruled out of order by Madam Speaker and less the amounts voted in Interim Supply, be concurred in.

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

Some hon. Members: On division.

Motion agreed to.

Estimates

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the Supplementary Estimates (A), 1981-82, laid upon the Table, Wednesday, June 3, 1981, be concurred in.

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

Some hon. Members: On division.

Motion agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the Supplementary Estimates (B), 1981-82, laid upon the Table, Wednesday, June 17, 1981, be concurred in.

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

[*English*]

Hon. Marcel Lambert (Edmonton West): Madam Speaker, at this particular point I should like to explain to the House the reasons for having posted the items under supplementary estimates (B), as I have done, which appear on the order paper. Now that the government has tabled bills to cover all those particular items, it is not my intention to press with that notice. However, I wish to raise a point of procedure which I think requires clarification.

Under the rules, hon. members have always been given the right to post a particular item for an expression of opinion by the House. I recall, as a member of the Standing Committee on Procedure and Organization at the time, that hon. members would be allowed to post any particular part of the spending program for approval by the House.

What has happened is that somehow or other a form of notice of opposition was taken by the table. That requires 24 hours of notice prior to the deadline of consideration, but automatically, even though the government has not acted on it, a motion in positive terms is put on the order paper.

That motion oftentimes includes a much greater sum than the one of the hon. member wishes to oppose. For instance, in the Senate it could be broken down, yet the total amount is put forward. This puts the House in a dilemma in that while one might be in favour of certain items, that on which one wants an expression of opinion is swallowed by the whole. I fail to see why this should be allowed in so far as an expression of opinion by hon. members is concerned.

I put forward the proposition that those items in supplementary estimates (B) should not be concurred in. That is the motion which, I suggest to the Chair, should be taken by the Table and put to the membership; rather than the Table itself

converting it into an affirmative motion and saying that these items should be concurred in.

This is the point I wish to raise. I would wish a clarification on it in due course, but I now formally withdraw all the postings of the estimates in supplementary estimates (B) which appear in my name.

Madam Speaker: I can give clarification to the hon. member. The procedure is to allow a member to raise an objection about certain items in the estimates which have been dealt with item by item in committee. When the estimates come again before the House, the member is allowed to raise an objection to one or several of the items in the estimates. This is what the hon. member for Edmonton West (Mr. Lambert) has done. He raised a number of objections to several items in the estimates which the Table transformed into a positive motion precisely to allow the House to express an opinion on the particular objections of the hon. member.

If I am correct—and I stand to be corrected—these objections were about different items, but they were not lumped into one motion. In the end there will be an all encompassing motion to accept the estimates. If the procedure is followed, the House will have had a chance to express an opinion on each and every objection raised by the hon. member.

This is the clarification I offer to the hon. member. I hope it satisfies him. I take note of his desire to withdraw these objections which he posted with the Table.

[*Translation*]

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to.

Mr. Johnston thereupon moved that Bill C-80, an Act to grant Her Majesty certain sums of money for the public service for the financial year ending March 31, 1982, be read the first time and be printed.

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

Mr. Johnston thereupon moved that Bill C-80, an Act to grant Her Majesty certain sums of money for the public service for the financial year ending March 31, 1982, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon. Mr. Francis in the chair.

● (1540)

[*English*]

Mr. Lambert: Can the President of the Treasury Board assure us that there are no contents in this appropriation bill which form the subject matter or rely on the authority of the bills which were introduced yesterday and which have been the subject of deletions of estimates by the Chair some two weeks ago?

Mr. Johnston: Yes, I will be pleased to give that assurance. Further, I would like to assure hon. members that this bill is in the same form as in previous years and takes into account the effects of Madam Speaker's ruling of June 12.

The Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Clause 2 agreed to.

The Chairman: Shall clause 3 carry?

Some hon. Members: Carried.

Clause 3 agreed to.

The Chairman: Shall clause 4 carry?

Some hon. Members: Carried.

Clause 4 agreed to.

The Chairman: Shall clause 5 carry?

Some hon. Members: Carried.

Clause 5 agreed to.

The Chairman: Shall clause 6 carry?

Some hon. Members: Carried.

Clause 6 agreed to.

The Chairman: Shall Schedule A carry?

Some hon. Members: Carried.

Schedule A carried.

The Chairman: Shall Schedule B carry?

Some hon. Members: Carried.

Schedule B agreed to.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Clause 1 agreed to.

The Chairman: Shall the preamble carry?

Some hon. Members: Carried.

Preamble agreed to.

The Chairman: Shall the title carry?

Some hon. Members: Carried.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Carried.

Some hon. Members: On division.

Bill reported.

[*Translation*]

Mr. Johnston moved that the bill be concurred in.

Motion agreed to.

Mr. Johnston moved that the bill be read the third time and do pass.

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to and the bill read the third time and passed.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGES AND ELECTIONS

Second report of Standing Committee on Privileges and Elections—Mr. Foster.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*Translation*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Eighth report of Standing Committee on Regulations and Other Statutory Instruments, in the two official languages—Mr. Beatty.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

OFFICIAL RESIDENCES ACT

MEASURE TO AMEND

Hon. Paul J. Cosgrove (Minister of Public Works) moved for leave to introduce Bill C-81, to amend the Official Residences Act.

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

Madam Speaker: When shall the bill be read the second time, at the next sitting of the House?

Some hon. Members: Agreed.

External Affairs and National Defence

TRANSPORT

ORDER OF REFERENCE OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, following consultation with the other parties and with unanimous consent of the House, I wish to move the following order of reference:

That the Standing Committee on Transport, to complement its consideration of transportation matters, while travelling in eastern and western Canada during the month of September 1980, be empowered to examine and report on federal transportation policies and programs within central Canada;

That the committee have the power to retain the services of expert, professional, technical, clerical and stenographic staff as may be deemed necessary;

That for the purpose of such examination, the committee be authorized to travel from place to place in Ontario and Quebec for a period of up to 15 days during the time of the 1981 summer adjournment of the first session of the thirty-second Parliament; and that the necessary staff do accompany.

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been consultations as referred to by the hon. member and I confirm our agreement.

Mr. Knowles: So do we.

Madam Speaker: The House has heard the motion of the hon. member. Does the House give unanimous consent to the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

AUTHORIZATION FOR SUB-COMMITTEE ON ARMED FORCES RESERVES TO TRAVEL WHILE HOUSE IS NOT SITTING

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, there have been consultations with the other parties and I would seek the unanimous consent to waive notice to move the following motion on behalf of the hon. member for Restigouche (Mr. Harquail):

That the members of the sub-committee on Armed Forces Reserves of the Standing Committee on External Affairs and National Defence be empowered to travel from place to place inside and outside Canada while the House is not sitting; and

That the necessary staff accompany the sub-committee.

Mr. Baker (Nepean-Carleton): Madam Speaker, there have been consultations and I confirm our agreement.

Mr. Knowles: Agreed.

Madam Speaker: Does the House give unanimous consent to the motion?

Some hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,461, 2,494, 2,544, 2,545 and 2,546.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

HALIFAX PORT AUTHORITY MEETINGS

Question No. 2,461—**Mr. Crosby:**

How many meetings of the Halifax Port Authority were held to date since the appointment of the new membership of the authority and, in each case (a) what were the names of the persons who attended (b) what was the name of the person who presided (c) what were the items on the agenda?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises that: two meetings of the Halifax Port Authority have been held to date since the appointment of the new membership—Wednesday, March 4th and Tuesday, May 5th.

(a) Attendance, March 4th meeting—G. E. Simmons, Chairman; A. C. Huxtable, Vice-Chairman; R. G. Austin; B. Shannon; J. W. E. Mingo; K. C. Curren; R. V. Beck; D. F. Bellefontaine; R. A. Kaye.

(b) The Chairman, G. E. Simmons presided.

(c) Items on the agenda were as follow:

(1) Minutes of the previous meeting November 13, 1980;

(2) The port's facilities

(3) The port's cargos

(4) Review the year 1980

(i) volumes

(ii) financial

(iii) construction

(5) Projections the year 1981

(6) Grain elevator

(7) Changes in facilities

(i) Transit sheds 26 and 27

(ii) Transit shed 37

(iii) Transit shed 9B and Open Area 9C

(8) Port master plan

(9) Senior port staff positions

(a) Attendance, May 5th meeting—G. E. Simmons, Chairman; A. C. Huxtable, Vice Chairman; R. G. Austin; B. Shannon; J. W. E. Mingo; R. V. Beck; D. F. Bellefontaine; R. A. Kaye.

(b) The Chairman, G. E. Simmons presided.

(c) Items on the agenda were as follow:

(1) Business arising out of the minutes

(2) Business plan 1982-1987

(3) 1981 projects

(4) Fairview Cove Container Terminal. Up-date on progress

(5) The grain elevator

(6) Staff—new members

(7) Cargo movements—January, February, March

(8) Pier 37

(9) Thru-put charge

(10) Sheds 26 and 27

(11) Finance first three months of 1981

(12) New business

MARITIME EMPLOYERS ASSOCIATION—LOANS OUTSTANDING

Question No. 2,494—**Mr. Crosby:**

1. Does the government have loans outstanding to the Maritime Employers Association and, if so (a) in what amount (b) at what rate of interest (c) what are the terms of repayment?

2. Was the interest rate charged less or more than the current prime rate of interest and how was it established?

3. Is the association now in a position to repay the loan and, if so, for what reason has it not been repaid?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Yes.

(a) Principal outstanding as of December 31, 1980, $4,435,142.

(b) 10.375 per cent.

(c) Two equalized payments annually to end on December 31, 1985.

2. At the time of the contract negotiation, the loan was to bear interest at a rate of 2½ per cent above the rate established by the Minister of Finance in respect of loans to Crown corporations for the period of the loan.

3. Yes, the association has maintained the repayment schedule in accord with the original contract in a fully satisfactory manner.

COAST GUARD AUXILIARY

Question No. 2,544—**Mr. Munro (Esquimalt-Saanich):**

With reference to the answers to questions Nos. 2,127 and 2,126 concerning the Coast Guard auxiliary and the Coast Guard Vessel 122 (a) what is the exact meaning of the term "attended" (b) for what reason is there a difference between the average cost per rescue as indicated in the answers to question No. 2,127, Part 4(a) and question No. 2,126, Part 3(a) (c) for what reason is there a large difference between the average cost per rescue when only auxiliary personnel were involved as indicated in the answers to question No. 2,127, Part 5 and question No. 2,126, Part 3(c)?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): (a) The term "attended" is used when a

Coast Guard resource arrives at or is dispatched to the scene of a marine incident and undertakes:

(1) to render direct assistance;

(2) to advise and co-ordinate assistance already in progress;

(3) to relay communications on behalf of RCC and/or other vessels involved;

(4) to standby when pollutants may be discharged during the course of an incident.

(b) The first figure of $900 is based on the average cost per incident of CG 122 during its first six months of operation. The second figure of $1,273.59 is the average cost per incident of all Coast Guard Search and Rescue resources on the west coast, including seasonal inshore rescue boats (IRB's).

(c) In the North Saanich/Gulf Islands area, incidents are generally close to shore and seldom involve more than one auxiliary vessel. The average time spent on an incident in this area is about one hour. The figure of $20 is based on the reimbursement fee for out-of-pocket expenses by volunteers and does not include insurance charges which the Coast Guard pays.

In other areas along the B.C. coast, the average time to resolve a marine SAR incident is much longer and normally requires the participation of more than one auxiliary craft. In addition, auxiliary vessels outside the Gulf Islands/Greater Vancouver area are generally larger and more expensive to operate. The figure of $247.94 given in response to question 2,126 (3(c)), 17/02/81, includes the cost of insurance premiums paid by the government for each auxiliary incident.

Question No. 2,545—**Mr. Munro (Esquimalt-Saanich):**

With reference to the answer to question No. 2,125 which stated $158,000 was allocated in the estimates to the organization and operation of the Coast Guard auxiliary in the western region for the calendar year 1980 and, of that, $119,837 was allocated to equipment, administration, re-imbursement to members, travel expenses and insurance coverage, for what reason is there a difference in the two totals of $38,163 and how were those funds spent?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Training costs for members of the CMRA(W) were not included in the figure of $119,837, nor were secretarial and printing services, all of which are shared in a common pool with the Coast Guard Boating Safety Detachment and Coast Guard Inshore Rescue Boat Operations. Costs on a shared basis for these services amounted to approximately $10,000.

The figure of $158,000 allocated in the estimates was for fiscal year 1980-81, not for calendar year 1980 as indicated in the question.

Underutilized funds of $30,000 from the 1980/81 allocation were applied to other CCG SAR resource requirements in the western region.

Order Paper Questions

Question No. 2,546—**Mr. Munro (Esquimalt-Saanich):**

1. With reference to the answer to question No. 2,125, were funds distributed for the 1980 calendar year to the organization and operation of the Coast Guard auxiliary in the western region for re-imbursement to members of the auxiliary, travel expenses to attend meetings for members of the auxiliary and insurance coverage for boats of auxiliary personnel in the amount of $67,837 and, if so, how can one account for the difference between that amount and the $158,000 appearing in the budget for 1980-81?

2. Did the financial statement of the Canadian Marine Rescue Auxiliary (Western) Inc. state that the auxiliary received $49,121.06 from the government during the period ended March 31, 1981 and, if so, for what reason is there a difference between the amount indicated in Part 1 and the sum of $49,121.06?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The budgeted cost predictions for the administration and operation of the CMRA(W) in 1980 had to be based on estimates rather than historical data which did not exist.

Of the total allocation of $158,000, a sub-total of approximately $48,000 was spent on administration, including travel; a sub-total of approximately $68,000 was spent on reimbursement to auxiliarists for out-of-pocket expenses and insurance premiums and an additional sub-total of approximately $10,000 was spent on auxiliary training and secretarial and printing services.

Underutilized funds of approximately $30,000 were applied to other SAR resource requirements in the western region.

2. The financial statement of the Coast Guard Auxiliary ending 31/03/81 was prepared in early April and did not include quarterly insurance premiums (31/12/80—31/03/81) and outstanding SAR travel and incidental expenses, which were submitted in April/May 1981 but charged to 1980/81 funds. Invoices for the 1980/81 fiscal year are not yet all received but will now be paid from 1981/82 funds.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

[*English*]

Mr. Deans: On a point of order, Madam Speaker. I wonder if I might inquire of the parliamentary secretary as to what became of the answer to my question No. 1483 which can be found on page 164 of the order paper for June 29, 1981. I am told by FIRA that the answer to the question, which was placed on the order paper on July 17, 1980, was given to the Prime Minister's Office within a matter of weeks of the question having been placed on the order paper. To this date there has been no reply. I would like to know whether or not the parliamentary secretary might inquire into the matter and report back to the House in order that I can come to grips with what has been a very difficult problem for a number of people.

Mr. Collenette: Madam Speaker, I assume that since there is no answer printed in *Hansard*, it has not yet been given in the House. I shall look into the matter and see where that answer is.

Oil Substitution and Conservation

• (1550)

Mr. Beatty: Madam Speaker, I am rising on what I think is—although the parliamentary secretary will probably have better track of this than I—probably the eighth time with regard to question No. 1852 which I placed on the order paper on December 9. This question is the responsibility of the Secretary of State and Minister of Communications (Mr. Fox) who is responsible for the freedom of information legislation. I think we see an indication of the government's willingness to comply with this spirit of freedom of information legislation by their dealings with the answer to this question. It is clear that they do not deal with this whole matter seriously.

Before the parliamentary secretary gives his response, in case he comes up with the old saw about how complicated the question is, I would point out to him that the information for the answer to this question was supplied by the chairman of the CFDC to the minister several months ago so the answer could be given in less than two typed paragraphs. There is no excuse for the question not being answered.

I wonder if the parliamentary secretary could indicate whether this is simply a matter of the minister responsible for freedom of information having refused to give him the information.

Mr. Collenette: Madam Speaker, what may appear to be a simple answer expected by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) may, indeed, be complex from the point of view of the government. We undertake to make sure that hon. members are satisfied in every possible way. It may very well be that the question is much more complex than the hon. member thought when he put it on the order paper. I have looked into the matter and we are endeavouring to get the answer. I can only refer him to my previous answers to the same question.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT

MEASURE TO ESTABLISH

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-77, respecting oil conservation and the substitution for oil of other energy sources be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Knowles: Let us hear from the minister.

Mr. Lalonde: Madam Speaker, I want to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his invitation to address the House for a few minutes on this bill entitled an act respecting oil conservation and the substitution for oil of other energy sources. Bill C-77 provides for the implementation of the Canada oil substitution program which is a very important element for our National Energy Program.

The National Energy Program pointed out that Canada's problem is not really a shortage of energy but that, as a matter of fact, Canada is a net exporter of energy to the tune of roughly $3 billion every year.

We have a problem in connection with oil supply and particularly, we must deal with our pattern of energy consumption which relies on oil and is producing, in effect, a growing dependence on oil imports. Obviously we should do everything we can to increase oil supply in this country by new discoveries all over Canada. The fact is, however, that all experts agree that it will take a few years before an increase in supply can be relied upon. In fact, it was forecast, before the National Energy Program, that we would see our imports increase substantially until at least 1985-86 until new sources of supply from the tar sands plants and new discoveries in Canada lands, would become available.

The Government of Canada decided that in those circumstances it was essential that steps be taken to dramatically shift energy sources for Canadians away from oil and toward those forms of energy that we have in abundance, such as gas, electricity, renewable energy generally, and coal.

Related to this, obviously, we also have, in the National Energy Program, a very dynamic conservation program encouraging Canadians to save energy. Later this afternoon one of my colleagues will address the question of conservation, particularly through the CHIP and HIP programs for home insulation in this country that have been effective for a few years.

When talking about the Canada oil substitution program, we refer to our off-oil conversion program for residential and industrial heating. This program represents our most important single lever for rapid adjustment and it constitutes the cornerstone of our drive toward independence from the world oil market within this decade.

The goal of the Canadian Oil Substitution Program is to reduce the use of oil in the non-transportation sector, that is in the residential, commercial and industrial sectors, to 10 per cent of energy use by 1990. I am happy to report to the House that this is a goal that is universally accepted. The provinces and industry agree that it can be done with the co-operation and careful management of all parties concerned. But there is a long way to go. Oil now accounts for 37 per cent of the energy for heating homes in Canada.

[*Translation*]

For example, in my native province, Quebec, the percentage is even higher than 37 per cent which is the national average. If I remember well, some 61 per cent of Quebec homes are oil heated. Therefore, we are aiming high since we are striving to

reduce that percentage in Quebec, for example, from 61 to 10 per cent during the coming decade.

[*English*]

For the whole of Canada, getting to 10 per cent means we need more than two million conversions of heating systems in this country over the next decade. As a matter of fact, our goal is to achieve this objective early in the decade rather than late in the decade. This will mean a large investment in all parts of Canada. It will mean the creation of new firms, new jobs for thousands of Canadians, and I am happy to see that many firms, organizations and individuals are arranging their affairs to take advantage of this development in the energy sector in Canada.

Clearly, however, this objective will not be reached without an assistance program because the capital cost of conversion will otherwise discourage many Canadians from making the shift. We have therefore set up a grant program that will make this feasible and will quickly pay back the investment for both sides through a reduced compensation payment on imported oil by the national government and through lower heating bills for individual Canadians.

[*Translation*]

In fact, COSP which we are asking the House to approve formally this afternoon under Bill C-77 meets various needs throughout Canada, since it will help Canadians through substantial grants to change their type of energy consumption and to convert from heating oil to other forms of energy, either gas, electricity, coal, wood or any other form of renewable energy. In addition, the government has defined the allowable costs in a very general way to make sure that the heating systems will be efficient and safe when Canadians will be converting their system to a form of energy other than oil.

The grant provided under this act and COSP will cover half of the conversion costs up to $800, and the eligible conversions will include the conversion of an oil fired heating unit to another type of fuel, converting it for instance into a gas burning unit. Also, the program will cover the costs of replacing an oil fired heating unit with a gas or electricity heating unit. Finally, the program will allow the addition of a back-up system, such as a wood stove or an electric heat pump, which would reduce the level of oil consumption in the current heating unit by at least 50 per cent.

We have put together a very flexible scheme which offers consumers a freedom of choice and, for all practical purposes, makes it possible for them to transform fully and completely their heating units if they want to, or to transform their units gradually, on condition that their converted systems uses at least 50 per cent less heating oil.

● (1600)

[*English*]

In effect this $800 grant is designed primarily to assist the home owner in meeting the up-front costs of converting. It will also be helpful to smaller commercial establishments. As far as centrally heated apartment buildings are concerned, a formula applies which will provide conversion grants of up to $5,500 per building, depending on the number of units.

Finally, for larger commercial and industrial buildings, we have come to the conclusion that the major incentive to convert will be the growing difference between the prices of oil and gas provided under the National Energy Program. As a matter of fact, we have foreseen that the wedge, or the spread, between the price of oil and gas, will increase appreciably over the coming decade. Already that spread is substantial indeed. In fact, in the past without grants or subsidies, we have seen that the price wedge has already led to hundreds of major conversions wherever natural gas service is available. Because of the nature of the country, the nature of the services that are available in Canada and the types of energy that are available here, we have had to develop a flexible program in order to respond to the availability of non-oil energy sources across the country. For the main part, I would say that the renewable portion of COSP applies across the country and that there are no differences to speak of while the gas and electrical components are tailored to regional availability and to provincial preferences.

We have had extensive discussions with the provinces during the last few months about this particular program. We have made every effort to tailor the program to answer the concerns of the various provincial governments. We have been led to introduce certain restrictions at the request of some provincial governments, taking into account their particular situations with regard to energy supply.

If we go across the country, I would say first that Newfoundland, Prince Edward Island and the Territories where electricity is generated from oil and where natural gas service is many years away, COSP takes the form of a conversion program to the various renewable energy sources and, second, it takes the form of assistance to upgrade insulation and improve heating efficiency. What we have in those provinces is a program derived from COSP that we call super CHIP, which is the $800 available in the other provinces for conversion to natural gas, wood or electricity. In those provinces it becomes a program to convert to renewable resources. Also it can be used to add on to the existing CHIP program so that people can at least be assured they will have a very generous scheme for home insulation. Thereby we will be in a position to encourage conservation much more significantly in those provinces compared to any other strategy. In effect, in Newfoundland, Prince Edward Island and the Territories we already have energy experts in the field who will recommend in detail improvements that home owners can make to reduce fuel consumption.

In the Maritime provinces, the National Energy Program provides for a fund of up to $500 million to assist with the construction of the natural gas pipeline to Nova Scotia and New Brunswick. Also if I can jump to the other side of the country, it will provide, if necessary, support for the construction of a gas pipeline to Vancouver Island so that COSP can

provide broad assistance as rapidly as possible in those regions, so that people can switch away from oil as quickly as possible.

[*Translation*]

In Quebec, the program has already been announced. It is already being implemented with respect to the substitution for oil of all sources of renewable energy as well as natural gas. The public is aware of the nature of this program. It provides any single family with grants of up to $800, but such grants may come as high as $5,500 in the case of multiple-unit housing. The problem which remains outstanding has to do with the conversion to electricity. I was surprised to learn from a number of my colleagues in the House that people calling Hydro-Quebec are told that the government of Canada alone is responsible for the fact that grants for conversion to electricity are still not available and that they must contact their federal member of Parliament to settle that problem. I want to say very clearly to the people of Quebec that if they are given that type of information over the telephone by people from Hydro-Quebec, it is definitely unfounded. In fact, in the past few weeks I have had a number of conversations with my colleague the Quebec energy minister, and I was expecting an answer from the Quebec cabinet on June 3 last.

For all sorts of reasons the Quebec government have found it impossible to reach a conclusion on that issue until these past few days. I am scheduled to meet very soon with my Quebec counterpart, Mr. Duhaime, with a view to settling that question as soon as possible. I certainly regret the very protracted delays we had to experience in Quebec as a result of that situation, and I hope that as a result of my forthcoming meeting with Mr. Duhaime we will be in a position to announce to the people of Quebec that without any further delay they will become eligible for the $800 grant to convert to electricity. Be that as it may, I must point out that since the program was first made public, the government of Canada has been ready and willing to make those conversions to electricity eligible for the grant and that we are waiting for the Quebec government to give us the green light to launch the program efficiently for all Quebec residents who are anxious to change their heating system to electricity.

I entertain every hope that we will reach agreement very rapidly and, in that case, the people of Quebec will be able to benefit fully and without any restrictions from all aspects of the Canadian Oil Substitution Program.

I would now like to deal with the other provinces west of Quebec—

● (1610)

[*English*]

First, in Ontario and Manitoba where virtually all alternatives to oil are widely available, COSP will apply fully. It will have the enthusiastic co-operation of the gas utilities and, we anticipate of electric utilities including the several hundred independent public utility companies in Ontario which are being invited to participate in the program delivery.

We have had many meetings and discussions with those utilities and we have had discussions with the provincial governments concerned. I am happy to report that we have received the full co-operation of everyone. In those two provinces, this program is already fully effective. I invite the public to make full use of that program.

I have already talked about Manitoba. In the other prairie provinces, Saskatchewan and Alberta, it is a fact that they are largely off oil. Alberta is very much the model province for COSP. Alberta has already reduced its residential use of oil to below 10 per cent. That is an achievement which is indeed remarkable, when we think of the oil that the province has and also the gas. I am happy to pay tribute to the foresight of consecutive administrations in that province which have pushed actively for the consumption of natural gas. In that province, by a very large margin, oil consumption for residential, commercial and industrial purposes is very much below that in other provinces.

The program of conversion to gas and electricity is not operating at this time in Saskatchewan, I regret, in view of the provincial government's preference for an alternative more appropriate to the province's circumstances. At the present time there are discussions between the two governments. I hope we will be able to reach an early agreement so that the people of Saskatchewan can have the full benefit of this program like people in most other provinces in Canada.

COSP will apply in Alberta for conversions to gas and renewables. There remains a considerable potential for rural conversions to gas in the northern part of Alberta.

In British Columbia the COSP program will help extend the use of natural gas on the mainland and eventually on Vancouver Island in line with provincial government priorities. That provincial government has resisted the extension of the program to conversion to electricity. Therefore, the program will essentially be applicable to conversions to natural gas.

A separate component of COSP is being developed in discussions with each province to provide funds over the 1980s toward the expansion of distribution systems for gas, electricity and renewable energy resources. This, too, will be a flexible instrument directly tailored to provincial and regional needs and priorities. However, this program will not become effective during the current fiscal year. It will not begin until the 1982-83 fiscal year at the earliest.

After having said a few words about the extent of the program and how it covers the country, I would like to say something about the delivery agents for this program. The gas and electric utilities play a very important role in the delivery of the gas and electric part of COSP. They are the channel for application forms and program material and a source of information on program rules and the conversion alternatives available. Once home owners have converted, they return completed application forms to the utilities concerned, either hydro or the gas utilities. These forms can then be verified and forward to the federal government which will issue the grants directly to those who have converted to gas or electricity.

With regard to the renewable and conservation portions of the COSP program, that will be delivered on behalf of my department by Canada Mortgage and Housing Corporation. This will be done following the two-stage application process adapted by the Canadian Home Insulation Program, CHIP. When there is a request for an application form, the form is sent out, completed and processed on the basis of the application form. This allows for much better control of the grant process. There will first be the COSP application request card and then a personalized application information package. This will ensure that we will be able to reduce to a minimum the possibility of a misuse of funds provided under this program.

The delivery agents, whether the utilities or CMHC, will establish that conversions have in fact taken place, that they are eligible under the rules and that invoices support the work actually done and the equipment actually installed. These are important tasks which help prevent abuse and ensure efficiency in the operation of COSP. The delivery agents are reimbursed for performing these steps. We have reached agreements with the various utilities whereby we pay them a certain amount for each application form that is processed. Therefore, the utilities, whether hydro or gas utilities, will not lose money as a result of processing these forms.

Furthermore, there will be an important link between the gas and electric components of the program on the one hand, and the delivery system for the renewables component of COSP on the other. There will be an automatic computer check of applications against gas and electric applications to ensure that duplicate grants are not paid at any address unless permitted by COSP rules.

To prevent abuse of public funds and to ensure that individuals make informed decisions about converting, the distribution of application forms is handled exclusively by utilities for gas and electricity and by CMHC for renewables. This can be explained further in the context of the various steps being taken to provide good advice to applicants.

Before concluding, I would like to say a few words about the question of advice to applicants.

[*Translation*]

I indicated quite clearly that our program would give Canadians wishing to convert their oil heating system the widest possible choice. Of course this flexibility is somewhat limited in some provinces because of decisions taken by the provinces themselves or because some sources of energy, like natural gas, are simply not available. But it is up to the applicant to decide when conversion will take place and what source of energy he will convert to, as well as what type of equipment he would purchase. I want to make it positively clear that the decision is up to the individual.

Naturally, there are various factors that come into play, for instance the individual's personal preferences but the government will do nothing to influence the individual in choosing one solution rather than another. However, under this program the government wants to encourage Canadians to consider carefully all the alternatives and to ask the relevant questions. In fact, there is a whole range of services available to individuals considering conversion. First there are the brochures on the Canada Oil Substitution Program, which recommend that homes be better insulated, that overly large heating systems be avoided and that several estimates on the work to be done be obtained; other pamphlets have been prepared on each alternative energy source eligible under the oil substitution program; and, finally, various publications of the Department of Energy, Mines and Resources of Canada deal with heating efficiency and energy savings. In addition, the advisory service of EnerSave provides free inspection by mail to determine insulation needs and a free telephone information service is also placed at the disposal of Canadians. Finally, my department has opened regional offices in each province and both territories to provide information about the program; in every case, the telephone numbers may be dialed toll free.

I just about forgot to mention that my department has Enercentre stands in shopping centres and other public places throughout the country to provide information on energy programs, including the Canada Oil Substitution Program. Finally, public utilities, that is both the hydro companies and the natural gas companies, for instance, are other major sources of information on the criteria of the program and conversions to gas or electricity.

• (1620)

[*English*]

The objective of this whole set of sources of material and information is to allow citizens to proceed to the transformation of their heating systems away from oil and to allow them to make their decisions concerning their applications for grants with adequate information at hand. Vast experience suggests that if application forms for the grant program proliferate, the risk of fraud and uninformed decision-making increases.

In conclusion, COSP is a major, essential part of the National Energy Program. It goes directly to the problem of oil imports with a solution that is based on the use of cheaper and more abundant domestic alternatives. The program will have a raid pay-off in terms of lower heating bills. COSP will also benefit the suppliers of the alternative fuels. It will benefit manufacturers of gas and electrical equipment, wood burning systems and solar systems. It will benefit retailers of oil equipment and systems. It will benefit thousands of private contractors who will make these installations all over the country. It will spur the development of technology and the introduction of more efficient heating equipment. COSP will have a payoff for the country in reduced dependence on expensive oil imports and in growing energy securities. COSP in that sense is a global and team effort of people all over the country, and I urge the House to give this program its enthusiastic support.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, we on this side are pleased to be able to look at Bill C-77 which encompasses COSP. I just want to draw to your atten-

tion that this bill was not available to anyone on this side, at least not to myself, until two o'clock.

The minister in his opening remarks on the Canadian oil substitution program talked about the need to become energy self-sufficient, or self-sufficient in oil, and to remove the people of Canada from the use of oil as an energy product without affecting the use of oil in transportation.

At the outset I would like to say that we on this side have some questions, and we will get to those I am sure when we are in Committee of the Whole on this bill. The one thing I should like to point out to the minister, through you, Mr. Speaker, is that devising a program encompassing all of Canada is not like devising a program that encompasses a smaller country. Our nation, with its different climatic changes, different energy supplies, different natural resources in each region, is a very vast country, and it is almost impossible to apply a universal program, as, I am sure the minister and his officials have found out. I am sure the minister and his officials have worked hard to try to make the program apply universally with the same effect on every citizen in our country. This has nothing to do really with provincial governments or the lack of co-operation. This relates to the nature of our country.

We feel there is one area in which the minister could find an additional 120,000 barrels of oil every day in Canada, if he would put his mind to it. He could do so by coming to an agreement with the province of Alberta regarding oil cutbacks in Canada. He would then find an additional 120,000 barrels of oil in Canada he does not have to import from overseas suppliers.

When we look at the problems different provinces have had with the application of the universal program of COSP, we should briefly touch upon situation which exists in the two western provinces of Alberta and Saskatchewan.

We in Saskatchewan are being denied 50 per cent of this program. At the request of the provincial government, and I am sure this is not the fault of the federal government, natural gas and electrical power should not be included in this grant program. Therefore, all we have available in Saskatchewan is renewable grants or grants in respect of wood. I find that very strange because in my province we rely on electricity for a considerable amount of our heating. I guess this is because in my province a lot of natural gas is imported from our neighbouring province of Alberta and used to generate electricity. That to me is a very ridiculous program, particularly when we consider the vast hydro resources that exist in northern Saskatchewan. I will later be asking the minister several questions that I am sure he posed to the provincial government of Saskatchewan, and I hope he will be able to supply some answers.

The need for energy self-sufficiency within Canada is not something new that the Liberal party which forms this government has come upon recently. On December 6, 1973 the present Prime Minister (Mr. Trudeau) made a statement to the effect that the main priority of his government at that time was to reach energy self-sufficiency by 1980. I believe he said the end of the decade, and I presume that meant 1980. I would doubt that the statement we have heard that we will become energy self-sufficient by 1990 has any more credibility than the previous statement made in 1973.

I would like to put forward a supposition, and later ask the minister to comment. As regards the methodology used to reach energy self-sufficiency by 1990, I presume officials built a supply curve. I assume the minister's department theorized, added a few tar sands plants and a few renewable resources and built a theoretical supply curve. Then, I presume, the people in the minister's department said: we know in the year 1990 we have to cross this curve because the government's policy is self-sufficiency by that time. By building a mythical supply curve and taking the year 1990 as the crossover point, I assume the government arrived at the decision that Canada would have energy self-sufficiency by 1990.

● (1630)

I hope the methodology of that supply curve will be made available to hon. members on this side of the House at a later date or, hopefully, in the Committee of the Whole. There have been some problems with government involvement and with CHIP in the recent past. One of those problems has been in relation to the amount of time people eligible for those grants have had to wait for them. I hope the minister will act to reduce this burden because interest costs are now running at 21 per cent or 22 per cent. These people deserve to receive their grants quickly. Perhaps rather than sending grants from a central location, several offices could be established across Canada. This would enable people to receive their grants much sooner.

Offices have been established by the minister's department in Edmonton and Calgary to handle the Canadian oil substitution program. In both cities I doubt very much if there are 500 people who are presently using oil. The off-oil program in those two cities does not keep the offices very busy. If the minister checks with the people staffing those offices, he will find that they are having a very relaxing time because there is just not much demand in those two cities.

As the minister stated, there is a vast rural natural gas program in Alberta. We in Saskatchewan do not have that. However, there are reserves of natural gas in Saskatchewan which could enable us to have natural gas available throughout rural Saskatchewan comparable to the situation in the province of Alberta, if only the federal-provincial atmosphere were a little more favourable. In this instance I think I can point particularly to the provincial government.

Six months ago the premiers of the prairie provinces briefly discussed an electric power grid. It was proposed that a joint network of power grids be run from Manitoba through Saskatchewan and into Alberta. In this case I find it strange that the provincial governments appear to be waiting for funding from the federal government in 1982 or sometime in 1983. I find that not to be much to my liking. As much as I feel sometimes that the minister is responsible for some things, I think in this case the minister is not to blame. The premiers in this case do not have the ability to get together and run a

power grid which would serve all the people of the prairie provinces.

While hon. members on this side welcome the Canadian oil substitution program, we do not find it to be a program which will be applied equally to the people of Canada. We find that regrettable. It is another example of trying to establish a universal program for a country as diverse as ours. We look forward to some of the answers we will receive from the minister when we go into Committee of the Whole.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want first of all to indicate to the minister that I think it is obvious to everyone that the direction of the program makes good sense. I do not think anyone looking at the problems of Canada and the problems of the world today in terms of the availability of oil could quarrel with a series of programs which ultimately will reduce our dependence on the petroleum companies of this nation and of the world.

On balance I think the program is supportable. However, I want to raise a few concerns. No one really believes we can continue forever to depend on oil. I once said in the House—and I believe it as strongly today as I did the day I said it—that I hate to think of the value of the last drop of oil when we finally find it. I am always concerned that we are putting, even yet, too much of our time and effort into the seeking of that elusive last drop of oil rather than spending more time, effort and money on the development of those alternatives which are renewable and will last through a number of generations.

I am never happy with the predictions of the oil companies. I can recall not so many years ago when we were told quite clearly by the oil companies that we had sufficient oil to meet our demand needs for the foreseeable future, whatever that was—for a great time into the future, at least. It only became apparent when the price of oil started to rise in the world markets that the oil companies were either hoodwinking us, unable to tell accurately what the supply situation really was, or taking advantage of a situation which had arisen.

I think the future rests almost entirely on conservation. The off-oil policy is a good policy. In the short run, we have to utilize the existing alternatives, but I think the long-term future lies almost entirely in energy sources which to this point in time are probably little used and may even be quite costly.

It is toward cost that I want to address my remarks because, frankly, I am concerned. I have a nagging worry about the future. We are encouraging people to move from oil to electricity, natural gas and other energy sources, and quite rightly so. However, as people move to other energy sources, we have to keep in mind that the ownership of the energy source to which people are moving remains very much within the ambit of responsibility of the very same people who currently own the oil. I am worried about the fact that we may well be moving people to those alternatives and that the end result may be price gouging.

I raise that because if anyone were to ask me today where he should put his money, if he has any, I would advise him to put it into banking or other related institutions because they seem to be making a buck or two these days. I would advise him to put it into energy, and particularly oil.

A statement is written up in today's newspapers indicating Imperial Oil is not prepared to go ahead with the Cold Lake project unless it is guaranteed a 20 per cent return on its investment. As we look at the rest of the economy, we must ask ourselves what kind of people are these people who insist on 20 per cent profit when any number of small businesses is going out of business today and when all other sectors, with the exception of banking and related concerns, are facing very serious profit crunches. What kind of people are they who, because they happen to have a product which is essential to the well-being of Canadians, will hold Canadians to ransom and demand from Canadians a guaranteed profit level in this wonderful free enterprise system in which they live? It made me stop and think when I read about it because I realized, as I looked at Imperial Oil with all its diversification, that it is entirely possible we are asking people to move from using oil to alternative sources of energy at a considerable cost to themselves and the public purse, and they will still end up buying from Imperial Oil. Imperial Oil will still be extracting this usurious amount of profit from these unsuspecting souls ten years from now.

• (1640)

Therefore, I want to suggest to the minister that while it is important, which I cannot deny, that we move away from dependence on oil, if only because it is a finite resource, and we encourage conservation and the utilization of renewable resources, we must at the same time put in place mechanisms to monitor both the availability, price and the profit flow from this absolutely essential commodity. I do not want to see us have another combines investigation of the new companies which are going to be set up to meet the energy requirements ten or 15 years from now and then discover, when that investigation is complete, that during this period of concern over availability of energy, these selfsame companies who ripped us off—I think a lot of people would admit that has happened over the last ten or 15 years to the tune of many billions of dollars—are simply able to rip us off even more by virtue of investing most of that money in alternative resources which are not monitored or controlled.

I do not want to see people put in the position of converting from one source to another only to find the cost of providing for their energy needs is no longer controlled or monitored, and they are going to find themselves paying exorbitant amounts of money to these companies which operate today in what they see is a very lucrative area. They will demand from those consumers that same 20 per cent profit level they are demanding in today's newspaper.

Who is going to bear the cost of what we are doing today? The taxpayer will at every level. It does not matter whether it is directly through their taxes or the price of energy, they are going to carry that cost. We have the direct costs, the cost of replacement of heating units, in some cases the cooking units. That is a direct cost, and the government through this program

has made available sums of money to compensate for it, but of course that is money raised through taxes of one kind or another. Then there are the indirect costs the consumer will have to bear. Those are costs the major companies in the field are able to write off against taxes they should be paying. It is the cost of subsidies, write-offs and tax concessions. These companies demand on the one hand a 20 per cent return on investment, and on the other hand they write off against their taxes costs of exploration for research and development into alternative energy sources. So in every single instance, all the way down the line, the cost is going to be borne by the consumer.

Now I say to the minister in all fairness, I really do worry about the fact we do not yet have a handle on the way the major energy corporations are able to reach into the consumers' pockets. We do not have a way of monitoring fairly and accurately the degree to which they are able, year after year, to take from the unsuspecting and, in many cases, unprotected consumer. Of course, they would argue that, having taken for years when there was a sufficient supply of energy, as the supply begins to dwindle they need to get even more because, after all, it is in short supply. It then becomes a commodity with a much greater value because there is not nearly as much of it.

So I want to suggest to the minister that while I support the thrust of what he is doing and while I recognize that in both the long and short term it is preferable we move from the heavy reliance we have on oil to reliance on renewable resources, I want to be sure the government is going to put in place mechanisms to monitor the price to the consumer in order to guarantee there cannot be the kind of obvious rip-off that Imperial Oil is attempting to perpetrate on the Canadian public by their demand for ever higher prices in order to get a 20 per cent return.

I realize the government may not be prepared to admit to Imperial Oil that they can have a 20 per cent return. I can appreciate it may well be the government does not support Imperial Oil in that demand, but what worries me is that this company, the largest of the large, with untold reserves of capital, which for many years has had a privileged position in Canadian society and has been able to recover all of its costs by way of tax write-offs and concessions, and which has had to spend little in the way of after-tax dollars in the development of its enterprise, seems to think that a 20 per cent level is a fair return. They seem to think because they are in the field of energy it is all right to expect 20 per cent, given of course that the Canadian taxpayers have already put $40 million into the Cold Lake project.

An hon. Member: Good investment.

Mr. Deans: It could be a good investment, nobody is going to deny that, provided it does not permit Imperial Oil to then demand a pound of flesh from the consumers.

I want therefore to suggest to the minister that concurrent with this legislation, with these expenditures and initiatives, a way to guarantee protection for the Canadian consumer must be put quickly in place. As we encourage people to move from the use of oil to other resources, we must recognize those resources will in most instances be in the private sector and we must put in place a means of assuring that the kind of unwarranted, unacceptable and unjustifiable rip-off which has taken place over many years by the multinational oil companies is put to an end. Also we should ensure that no measure can be taken by any of the producers of the new energy sources which will allow them to do to us in Canada what the oil companies have been able to do over the course of the last 15 or 20 years.

● (1650)

I do not want to see old age pensioners putting most if not all of their expendable life savings into making this change-over. I do not want them to suddenly discover that they are paying two or three times what they were paying previously, simply because the persons who are producing the new energy source think they have a captive market. We must be very cautious about that. I have seen it happen too many times; once they have consumers in a vice-like grip, where they have already made the investment and can no longer afford to reinvest, the price begins to escalate. Of course the end result is that people are forced to cut back in many other areas.

There are large numbers of families across the country who can ill-afford to make any further cuts in their standard of living in order to satisfy the greed of energy producers in this country or in any other country. I am not talking so much about gas because I realize there is the National Energy Board before which hearings will be conducted and prices established. Also I realize that, in the area of electricity, there are procedures, at least in Ontario and, I suspect, in other provinces where hearings are to be held, to determine the price structure and price level. I am talking about the newer more innovative methods, the renewable resources we are hoping will become a major part of the Canadian energy scene. Sometime between now and next year we should quickly put in place a method to guarantee that what Imperial Esso is attempting to do cannot be done by anyone else entering the energy field in Canada in the future.

I want the minister to say to Imperial Esso that the 20 per cent is too damned much, that this is not a game we are in. No one can expect to get a 20 per cent profit margin guaranteed by the public of Canada. Imperial Esso cannot expect this, nor can anyone else. If Esso wants to continue to have access to our oil resource, the oil of the public of Canada, then it better act in a responsible way and recognize that every penny of the cost will ultimately be borne by the consumer and the taxpayer.

No matter how Esso juggles its figures, it cannot possibly justify what it is requesting in economically hard times such as the ones we are experiencing now. It is a situation which, I suspect, we will be in for some time to come. The minister should put in place some way to ensure that we will never again be left at the mercy of greed. This is what it is. I would have thought by now that companies operating in the country

would have realized that greed cannot be tolerated, that there is no place for it. We cannot afford them if that is what they expect us to do. We would much rather do it ourselves than have it done for us and done to us at the same time.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Before putting the question it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—Railways—Measures to aid movement of increased grain exports—Government policy on use of railway services; the hon. member for Kindersley-Lloydminster (Mr. McKnight)—Agriculture—Increase in number of eligible townships;—the hon. member for Winnipeg-St. James (Mr. Keeper)—Indian Affairs—Department's treatment of Manitoba Indian bands.

GOVERNMENT ORDERS

[*Translation*]

OIL SUBSTITUTION AND CONSERVATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Lalonde that Bill C-77, an Act respecting oil conservation and the substitution for oil of other energy sources, be read the second time and, by unanimous consent, be referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Ethier in the chair.

[*English*]

On Clause 2—*Definitions*

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, at the outset I should like to say how much I appreciate the minister's outline of the bill. Rarely in recent years have we had from him this type of comprehensive yet objective account of his legislation. I think this should be pointed out.

I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program, but I would like to raise a series of small points, if I may, in the hope that in the performance of the bill under the minister's administration we can improve it somewhat.

My first point has already been covered by the minister, namely, that we require a separate type of program with each province. I am conscious of the fact that he dealt very lightly with the province of Saskatchewan which did not have much reason for barring those people of Saskatchewan from the federal program who had converted to electricity or natural gas. I will say no more about that. It is up to the people of Saskatchewan to skin their own shunks. I suppose they will do it within the next year or so.

My second point concerns the philosophy of the program, and I want to end my remarks with a question. It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

I am somewhat concerned about the fact that there is so much pressure to convert to natural gas or to electricity. I do not believe they will meet the test of low-cost energy for the people of Canada. When I look at the interest rates and the capital intensity of the structure of moving with electricity and the production of electricity, I know that these interest rates will show up in high prices for electricity for many years to come. Be that as it may, certain things can be done that were not specifically mentioned by the minister in his remarks today which I believe come under this bill.

The bill tries to provide encouragement through incentives in the form of a grant to get people to convert from oil to any type of energy which is generally available and, hopefully, cheaper. Will the minister tell the committee whether a heat pump will be acceptable under this grant system?

• (1700)

Before the minister rises, I want to point out the fact that all across Canada, but particularly in rural areas, almost every farmer has a well, a dug-out or some form of water nearby with which he can heat his house. Many people have lawns in front of their houses and gardens at the back on which there is enough heat stored in the form of solar heat which will heat a house during the winter. This has been done for 50 or 60 years; but the heat must be converted into a form which can be used by interposing a heat pump. A heat pump is not a new device. It has been used by the housewives of our country for some 60 years in the form of refrigerators which take the heat out of food and pump it onto the floor. That same type of apparatus can take heat out of air, out of the ground and out of water and put it into the house. At the present time this method is much cheaper than the heat obtained from oil or natural gas. I would like to ask the minister whether a heat pump will come under the $800 provision in this bill.

Mr. Lalonde: Mr. Chairman, first, I would like to thank the hon. member for Qu'Appelle-Moose Mountain for his kind words. I would like to take this opportunity to stress his well-known interest in this field for many years.

I would like to answer the hon. member very quickly. Heat pumps will be eligible for conversion grants. Obviously, this depends on the agreements we have with the various provinces. We do not yet have an agreement with Saskatchewan, and in Nova Scotia this matter is still being negotiated. However, in all the other provinces heat pumps are eligible for the grant. I hope that since discussions have started again with the government of Saskatchewan, this will become the case in that province. Although heat pumps represent a large investment it is our view that they also imply very substantial savings in terms of energy consumption and particularly of converting from oil.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I would like to put this thought forward to the minister, Mr. Chairman. I hope that when he is negotiating with the province of Saskatchewan, which above all other provinces needs this type of item in the arsenal for fighting home heating costs, he will consider what I have to say. With the research that has been done in the last two years I feel I can say fairly accurately—and the minister can verify this through the National Research Council—that if you are heating your home out of air, the co-efficient of performance is about 1.6 to one. I know that is the Canadian Standards Association level for Ontario, but it also applies in Saskatchewan. If you are heating your home with water or from the ground, as long as you put your heat exchanger below the frost line or below the ice in the water source—in the case of wells that is always open—you can obtain a co-efficient of performance of close to four to one. Translated into dollars and cents, that means if you tried to heat your home out of the air around your home over the year, a dollar spent for electricity to run the electric motor, which runs the compressor in the heat pump, will give you $1.60 worth of heat. This, it is a good deal. But if you heat your home with a heat pump where your heat is obtained from a constant source, such as the water in a river under the ice of the water in a dug-out or a well underneath the ice, and if you have built a storage thank, you obtain a co-efficient of performance of approximately four to one. At present prices, that means $1.00 of electricity gives you $4 worth of heat. That is a tremendous saving. Of course, that saving increases if oil prices rise.

Something to remember about a heat pump—that is where the difficulty might arise for the minister—is that in those provinces if you put a heat pump into your home, you are required to have a back-up furnace, either an electric one or an oil or gas furnace. If you put the heat pump beside the existing furnace and use the same fans and electrical system to operate it, your installation ban be at a minimum cost. I hope the minister will suggest to his officials and to the provinces when he is dealing with them that when they deal with applications for heat pumps, it will not be a requirement to remove your old furnace when putting in a heat pump. If the heat pump will provide you with over 50 per cent of the heat supply for your house, you should not be required to remove your old furnace. I would like to ask the minister whether this is looked after in the regulations.

Mr. Lalonde: The comments made by the hon. member are confirmed—it would be quite a challenge to match the hon. member's own expertise in this field. I would like to tell the hon. member that there is no requirement under the federal rules for the existing system to be removed if one wishes to instal a heat pump. As a matter of fact, we quite understand that an existing system can very well be maintained. The only requirement is that the new system which is to be installed must replace at least 50 per cent of the oil consumption which occurred before installation. As the hon. member has explained, that would be achieved by the installation of a heat pump.

I understand that some utility companies in certain provinces insist on the previous system being kept. For instance, the government of Quebec is considering an arrangement whereby it would allow conversion to electricity only in so far as the previous system would still be maintained as a back-up with the possibility of converting to oil or gas later on. I do not expect there would be great difficulty in this regard. It is a matter in which the provinces could have an influence in terms of their powers over provincial utilities. As far as we are concerned, we certainly do not intend to make any such requirement, that is, we see no problem with keeping the back-up system in operation.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I appreciate very much what the minister has just said. It has been my experience that no matter how well intentioned your programs are, they can sometimes be messed up, to use a polite word, in the translations, and through the regulations in the various types of programs.

I have several other questions. I do not want to take up too much time but I would like to offer some suggestions to the minister. I do not think my suggestions can be covered at the present time under this bill. They might very well be covered in the next version of the bill. I am talking about the fact that one of the ways we can save money and the use of oil is by utilizing in our heating systems passive solar energy. For instance, I would like to use one example. The province of Saskatchewan has developed a very convenient and simple technique for storing heat from passive solar energy through the use of sodium sulphate mixed with peat. Without going into all the fancy details, a person can build a storage facility for a small home which would cost only $1,000. That facility can store the surplus heat provided by solar energy through ordinary windows. That is why it is called "passive". You can store the heat from days when the sun is shining and bring that heat back into your home during the night.

The research work in this field which has been done by the province of Saskatchewan shows that the technique is long-lasting. Incidentally, the first place where this apparatus is being sold is in Ottawa. It is very simple for a person to handle

this apparatus. It is just like the ice pack that you take along on a trip in the summer to keep things cold. You can buy any number of bags. They can be set along your windows to collect enough heat to heat a house, according to the experimental work which has been carried out. All the time that the sun is shining and the room is hotter than 70 degrees in the sunshine hours, heat is being collected into these bags. The minute the room temperature drops below 70 degrees, the bags begin to pass out the heat they have collected. This is a simple type of technology. If one were to spend money on that and to add to one's passive heat it would be a substitution for oil. I know it is not possible the way the bill reads now. I wish the minister would keep in mind that if anyone can offer a proven technique to reduce the use of oil, it should be included in the bill, just as a stove is. I just thought I would throw it to the minister and hope he will keep it in mind.

● (1710)

I want to move on to some more realistic ideas, Mr. Chairman. We waste a tremendous amount of heat in our homes through the gray water that goes out into the sewers. By gray water I mean water from washing machines, the baths and sinks, water which is dirty and so is called gray water. Usually it goes out still containing heat. Some research has been done by the University of Saskatchewan which shows that by spending about $100 for a heat transfer system, the heat could be extracted from the water and transferred to a water heater. This is only legal in Saskatchewan, however. The minister could approach the other provinces with a view to having them change their health regulations to allow individual householders to direct the gray water to a tank where the heat could be extracted and then transferred to the hot water tank. This would save 50 per cent of the cost of heating water in the household, which at present is roughly $200 per year. This is a type of proposal that I think we could sneak into the bill as a way of getting individuals to adopt methods which would save a substantial amount of oil.

There is one thing that I hope the minister will take up with the Minister of Finance, Mr. Chairman. The bill provides for an $800 incentive taxable grant. In the propane legislation it is $400. Other legislation gives a two-year accelerated write-off to anyone who uses renewable energy hardware. I have already written to the Minister of Finance with a suggestion. I wonder if the Minister of Energy, Mines and Resources could support me in saying that in order to be fair in applying this to all Canadians, this proposal, which only applies to those income taxpayers who have capital cost allowances under their form of income tax, should be extended to individuals who live in towns and country homes, who do not qualify for the capital cost allowances that farmers and businessmen qualify for.

If those millions of people who live in town or city homes had access to the same type of tax incentive as the farmer or businessman who has the advantage of the capital cost allowance provision, it would be a break for them. Officials in the Department of Finance are familiar with the tax credit concept. If this could be applied, it would be a tremendous incentive to the people who have to go into the more extensive, expensive types of conversion. A heat pump for a small home will cost about $2,000 or $2,500 and close to $3,000 including installation. The incentive to the taxpayer, if he could get the same deal as the person who was claiming a capital cost allowance, would be tremendous.

It is estimated in the United States that in the next ten years there will be a heat pump in almost every home, and certainly in every building. Billions of dollars worth of business will be generated in providing these heat pumps for heating and cooling. There is roughly $15 billion worth of business for Canada in the next 15 years as well. I think the individual who puts up money for the conversions in order to save oil, natural gas and electricity, is probably doing more for his country than can be done in any other way and without great expense to the government. What the government can do to get people to convert from oil to other energy is nothing compared to what 24 million Canadians could do who are willing to convert, first of all, because it is cheaper, second, because it is cleaner, and third, because it is renewable. We can push this concept of conversion from oil to natural gas and electricity by using the knowledge which is available to us.

I am not going to ask a question, Mr. Chairman. I want to conclude by congratulating the minister again for bringing this legislation forward and allowing us to ask him some questions. I hope he will consider the suggestion that I have made to improve the legislation and make it available to all Canadians. If so, we could achieve this conversion from oil to other energies more rapidly than this bill can by itself.

Mr. Yurko: Mr. Chairman, before asking one or two specific questions, I want to make some brief remarks and indicate that although I agree with the direction of this bill, I have some misgivings. First of all, I want to touch briefly on the universality of the program, second, on the incentives for conversion and third, on incentives for the supply and distribution of a specific form of energy.

I was involved in the rural natural gas program in Alberta which gave monetary incentives for supply and distribution rather than for conversion. The provincial government made sure that gas was available, through co-operatives, that it could be tapped by users and that it paid, to a large degree, the supply-cost to the user. In some cases the subsidy amounted to $2,900 per user and in other cases it was less.

It effectively guaranteed that the price of the energy supplied would not exceed the price of other energy forms. Before anyone connected to a natural gas system, he had some guarantee that the price of his energy would be lower than other forms of energy in the foreseeable future.

I shall ask the minister whether in the negotiations on energy pricing in Canada, he is going to guarantee to all persons who hook up to natural gas, that the price will be 65 per cent or 75 per cent of the price of oil. He might tuck that in the back of his mind so that he can answer it later.

The incentive for moving in this direction is a saving on the consumption of oil, but it is also really a saving on the federal government's subsidy for imported oil. That is the real incen-

tive. When I look at the chart showing the growth of oil consumption and natural gas consumption in Canada, they show that over the period 1962-1976, the consumption of natural gas increased three and a half times while the consumption of oil increased twice. I do not think the figures have changed too much since 1976 when the residential area was using 265,000 barrels of oil a day, the commercial sector was using 100,000 barrels of oil a day and the industrial sector was using 220,000 barrels of oil a day. From what the minister has said, I gather he is looking for a saving of something in the order of 100,000 barrels to 150,000 barrels of oil usage in Canada. Therefore, there is a saving in federal government subsidies for imported oil because the government is subsidizing the imported oil going to the Atlantic and eastern provinces.

● (1720)

I do not think there are many of us who do not realize that the energy utilization in Canada will shift to gaseous fuels and electricity, or to solar energy and heat pumps, as the former speaker indicated, but primarily for a period in the future it will be gaseous fuels and electricity. Gaseous fuels are natural ones. They can be transported through pipelines with a very high Btu content. This includes natural gas and synthetic gas from coal and biomass, as well as hydrogen produced basically from electricity, as was indicated in the report of the committee.

But if one is going to move to provide incentives for conversion to the natural gas area or to the gaseous fuel area and electricity, surely one must look at the cost of supply of these systems. One must look at the cost of the availability as well as the distribution of that fuel for residential use. I suggest that if you reduce the cost of supply and distribution greatly, because the end user's costs are always three or four times the cost of the fuel itself, by the time you factor in the cost of supply and distribution, particularly with the interest rates we have now of more than 20 per cent, the real incentives to the users are not necessarily the end cost of the fuel itself but massive subsidization of the supply and distribution system.

It bothers me that there is no crash program in existence in Canada today, I mean a crash program to distribute the enormous quantities of gaseous fuels that we have available in Canada to all areas of our country. We must not only supply it to an area but distribute it to the people, and the costs of distribution are high. I would have thought that the federal government, besides coming forward with a conversion program, because conversion is done automatically when the supply is there and the costs are right, would undertake, on an emergency basis, a program of supply of gaseous fuels literally to most of the nation. Second, I would have thought the federal government would provide the necessary subsidization of the distribution system so the costs of supplying it can be brought to the users at reasonable rates.

I have two questions for the minister. Does he have under consideration any grants or subsidization whatever in relation to the cost of supply and the cost of distribution of gaseous fuels as well as electricity?

I was involved in the western grid system and the availability of hydro power. The distribution of electricity throughout the west, was enormous costly. Does the minister have a subsequent program of supply and distribution for gaseous fuels as well as for electricity for residential conversion from oil to gas? Second, can the minister guarantee a price structure to the people who convert from oil to natural gas so that the cost of natural gas will be consistently lower than the equivalent cost of oil on a Btu basis?

Mr. Lalonde: Mr. Chairman, on the first question asked by the hon. member, I indicated in my earlier remarks that we have already set aside a fund of $500 million to help construct a gas pipeline to the maritimes. Part of that money may also be available to help the completion of a gas pipeline to Vancouver Island so that all regions in this country will be provided with a gas trunk line system.

As to the second element on the help to expand the distribution systems, we have also provided funds that will become available next year at the earliest for the expansion of distribution systems in areas where it is uneconomical to do so at this time. We would not seek general subsidization for the expansion of gas lines or electricity lines anywhere in any province. It would be in places only where expansion would imply massive substitution away from oil in those areas where it is marginally uneconomical at the present time. A fund of this type would be available for this purpose.

As far as the second question raised by the hon. member is concerned, I am having discussions with the producing provinces on a new oil and gas agreement at the moment. I can tell him that all the producing provinces agree that there should be a significant differential in favour of gas compared to oil. This is very much a basic element of our own policy. I can say that as far as the national government is concerned and as far as the governments of the producing provinces are concerned, we are all in agreement that we should maintain an appreciable differential in favour of natural gas versus oil for the foreseeable future.

We are talking about an agreement lasting several years. I have no doubt that such an agreement, if it were arrived at, would ensure that any investment citizens would make in favour of natural gas at the expense of oil would be a very good one for those who convert. Obviously I cannot guarantee the kind of provincial taxes which would be imposed on the various forms of energy in the future. But again, all my conversations with the various provincial governments indicate they recognize that preference should be given to natural gas as opposed to oil for residential, commercial and industrial purposes.

I think citizens of Canada can, with a great deal of confidence, proceed to investment in natural gas, knowing that over the years the advantages of natural gas compared to oil will be substantial.

In the National Energy Program we have a proposal which will take the differential down as low as 65 per cent, I think perhaps even lower than that, but I do not know what it will be once our negotiations are concluded in particular with the government of Alberta but I can assure the hon. member that all governments agree that this is the direction in which we should proceed.

Mr. Yurko: Mr. Chairman, I appreciate the minister's answer. He has answered as forthrightly as he could at this time. However, he spoke rather glowingly about conversion from oil to natural gas. Have any studies been made by his departmental officials to suggest strongly that conversion to electricity may have the same benefits as conversion to natural gas in the future? I think the minister has indicated that with appropriate subsidy for supply and distribution of natural gas and some guarantees on pricing, he would not be fooling people in terms of conversion, that they will in fact have an advantage in years to come. I again ask what guarantees, analyses and studies has the department done to supply some sort of assurance to people converting to electricity from oil as against conversion to natural gas?

• (1730)

Mr. Lalonde: Mr. Chairman, some studies have been done, but the situation varies considerably from province to province. We do not have a complete study that would constitute a report on the national situation in this regard. This type of work has traditionally been done at the provincial level by the provincial departments of energy in so far as they control the gas utilities and hydro. We have not been able to get price forecasts for electricity for years to come from some provinces. That information is not readily available with regard to all the provinces. However, I will be happy to inquire from my officials which provinces can give us that type of forecast.

Canadians all over the country can assume that when electricity originates from sources other than oil, it will be cheaper to switch to electricity than use oil. That is a kind of general statement. As to whether it would be advantageous to switch to natural gas rather than electricity, that matter will have to be examined in every province. I suggest that individuals check with the gas utility, if there is one in the area, and hydro, compare the cost estimates and arrive at their own conclusions. As we know, individuals make decisions not only on pure cost factors but on other features as well. If the two services are available, I suggest that individuals obtain quotations and proposals from both utilities and then make their choice.

Mr. Yurko: Mr. Chairman, I want to raise another question; the minister did allude to it. Canadian citizens should be cautioned to some degree about conversion to electricity for residential heating. I hope that the literature to be put out does not put the major emphasis on conversion to electricity because it may appear acceptable and appropriate in the short term. In the longer term, for example a period of five to ten years, it may not be as attractive as is being suggested at this time by some of the officials in government.

Mr. Deans: Mr. Chairman, I have a question with regard to Clause 5, development assistance. I will put a hypothetical situation so that I can get this cleared up quickly. Am I to understand that if one of the existing oil companies, which has already put into its price structure the requirement for the possibility of investment in other than oil, decides to acquire an existing company or go into discovery, development, production, transportation or storage of other than oil, natural gas or electricity, it would be eligible for grants, loans, or financial assistance guarantees from the government?

Mr. Lalonde: Mr. Chairman, Clause 5 is permissive. It provides for administrative discretion in the approval of grants. It is a matter the minister will have to determine on the basis of each application, taking into consideration the validity of the project, the cost benefit, the discovery that could be made and the ability of the company concerned to carry the cost on its own. Obviously we would have to treat differently an individual who has a bright idea, would like to develop it and only has a few dollars and an application from Imperial Oil. This is something the minister and the administration will have to take into account when the various proposals come forward. This is done all the time with the various grants or schemes in operation in the different departments of government.

Mr. Deans: May I just pursue this a little further. The bill refers to "discover, develop or produce". To produce is a little more difficult. The ones that worry me are acquire, transport, store or make available for use. If a person wanted to acquire an existing alternative energy source other than oil, electricity and natural gas, or wanted to acquire the transportation system, for example the trucks to move it, or wanted to set up a storage facility for future use—make available for use is ambiguous but that is beside the point—is it possible to come to the government under those circumstances for a grant, loan or guarantee to enable him to do this?

What sort of criteria will be established to enable people to understand whether it is even worth their while to make application? I can imagine any number of people looking around the world for a variety of different enterprises they could acquire, taking on a transportation system and using government funds to get the trucks or setting up two or three metal sheds for storage purposes at public expense. Is that what the minister is talking about?

Mr. Lalonde: Obviously one can think of the most ridiculous situations and say it would be terrible if grants were made in such cases. One can go through the various pieces of legislation and imagine a rather silly administration doing silly things. Clause 5 is of a general nature. It refers to grants to persons, governments or institutions. The legal draftsmen tried to ensure that there were not too many restrictions with regard to the applications for grants.

It may be that a municipality wishes to acquire a certain heating source or discovery from abroad and requires a grant either to acquire or transport it. It may represent a possible breakthrough. The municipality might need some help in order

to achieve that purpose. The government would have to examine whether that heating source represented something new, whether the cost benefit was appreciable and whether the institution applying for the grant was in need of it. I repeat, these are very general provisions. We will have to look at them on the basis of the various applications.

Mr. Deans: I know the minister will forgive me for my dubious and doubting ways. However, the whole thing is so ambiguous as to allow people to drive trucks through it. I really do not understand it. All it does is say that the government will be able to give away public funds in whatever way it sees fit to anyone it wants to at any time as long as the people are not in the business of providing oil, natural gas or electricity and can claim to be in a business related in one way or another to the provision of other than those three energy sources. That whole clause is permissive, and "permissive" does not describe it.

• (1740)

The record of the government in terms of its handouts is part of the reason that Parliament and the public of Canada seriously question the fiscal responsiveness of governments here and everywhere else. Will there be regulations? I do not see any indication that there will be. I have certainly looked at the clauses here. There is no reference in Clause 5 to regulations, although Clause 3 specifically makes reference to them. Can the minister help me on that?

Mr. Lalonde: Mr. Chairman, I may be able to speed this up and help my friend on this subject. If he reads the beginning of Clause 5 he will see it says "Subject to any regulations made under this Act and in accordance with such terms and conditions, if any, as the Treasury Board may specify". You end up having both regulations and specific conditions the Treasury Board puts out before approving a request for funds for this particular purpose. These are all public conditions and regulations that the applicants would know. There are considerable restrictions there. In addition the funds voted for this would be controlled by Parliament through the estimates. There would be considerable control over the spending both by the government and by Parliament.

As far as the general comments of the hon. member are concerned, this clause provides the necessary discretion to provide grants for development assistance in new forms of energy. Unless my hon. friend wants the minister to come before Parliament every time and have a vote on every grant, I am afraid he has to be reconciled with living with administrative discretion.

Mr. Deans: My final point is that Clause 5 says: "Subject to any regulations" which are made. That does not require that there be any. It says: "Subject . . . to such terms and conditions, if any, as the Treasury Board may specify". That does not mean there will be any. I just want to suggest that it has been my experience, limited here though extensive elsewhere, that the legislative process is certainly no guarantee there will be fiscal responsibility. The minister knows as well as I that we are forever approving expenditures long after they have been made.

[*Translation*]

Mr. Demers: Mr. Chairman, first I would like to commend the minister for introducing a bill which will make it possible for many Canadian families to save energy. However, I wonder if any study has been made. Already in our metropolitan area and in many other areas of Canada there is a very heavy demand for contractors to convert systems from oil to gas and it would seem that those contractors are charging over and above normal prices. I am therefore wondering whether your department has studied the possibility of training additional contractors so that there will be a more realistic balance between supply and demand.

Mr. Lalonde: I think the hon. member is raising a very important and most interesting point. The Department of Manpower and Immigration is responsible for training manpower and the required staff in Canada. I think that my department as such does not have to assume that responsibility. However, inasmuch as citizens are involved, I would advise and encourage them not to decide on the strength of a single offer but so seek tenders from two or three different contractors; they will find out that quite often there are significant differences between tenders. One would be well advised to call tenders and not rely on only one bid.

Mr. Demers: Mr. Chairman, I have a second question. I wonder whether the minister is now having discussions with his Quebec counterpart since Quebec does not have an 8 per cent tax on heating oil, which it must import from foreign countries. On the other hand, local energy sources such as electricity and natural gas are taxed at 8 per cent. This seems to me very illogical because the consumer will thus lose a good part, or 8 per cent, of what he will save by converting his heating system. I therefore wonder whether the minister has had discussions with provincial officials in this regard.

Mr. Lalonde: Once again, I recognize that the hon. member for Duvernay is raising an extremely important question related to the Quebec tax policy. What he said is quite right, and it is unfortunate that there should be this additional tax of 8 per cent on natural gas, for instance, in Quebec.

Before the recent elections in Quebec, Mr. Bérubé, the former Minister of Energy, had stated that the Quebec government planned on doing away with this tax when gas is more widely used in Quebec. I have already raised this question and I intend to raise it again with the new Quebec Energy Minister, Mr. Duhaime, and I hope that he will succeed in convincing the Quebec Finance Minister to do away with this tax, which is really counterproductive as concerns the total energy policy that we are trying to implement. It is indeed somewhat ridiculous to impose a tax on electricity and gas when it is the demand for oil that we want to reduce, especially in Quebec. I

am glad that the hon. member has raised this point, and I thank him for his support in this regard and I can assure him that I shall raise the issue once again with the Quebec government.

[*English*]

Mr. McKnight: Mr. Chairman, in fairness to the minister I think I should ask him the question I said I would in my reply to his opening remarks. The province of Saskatchewan has accepted less than 50 per cent of this COSP program. We in Saskatchewan are well aware that we have a Crown corporation which distributes natural gas and electricity to the people of Saskatchewan and which made, in my opinion, an unconscionable profit last year. Would the minister explain to the House why the government of Saskatchewan asked that the people of that province be deprived of over 50 per cent of the benefits of this program, which is, indeed, a national program?

Mr. Lalonde: Mr. Chairman, I should first of all like to thank the hon. member for his comments on the bill at first reading stage. I want to tell him that I was somewhat surprised to hear from the government of Saskatchewan that the reason it was not favourable to the extension of the COSP program to the additional 50 per cent was that in the case of electricity the cost of extending electrical service would be too high as far as it was concerned. That government felt it did not want to incur the additional cost that bringing additional electrical service to the citizens of the province would entail.

As far as natural gas is concerned, the government felt there was already a reasonably large coverage of gas consumption in Saskatchewan and it did not feel the need for an additional subsidy. I understand now that the government is reviewing its decision. I would not like to misrepresent that situation. There are discussions taking place at the present time, again between officials of the Government of Canada and the government of Saskatchewan, and I do hope, indeed, that the people of Saskatchewan will have the same global access to the program as the people of other provinces.

[*Translation*]

Clauses 2 to 10 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

● (1750)

[*English*]

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, I rise on a point of order. I apologize to hon. members, but there were discussions among the House leaders along the lines that we would have one speaker at second reading for each of the eight bills dealing with the estimates which were introduced yesterday. I am talking about Bill C-70 through Bill C-77. I regret that we did not make that a House order. Unfortunately, some hon. members are of the view that we can have extended debate in Committee of the Whole, but I understand hon. members are prepared at this time to have a House order to the effect that, in dealing with Bill C-70 through Bill C-77 inclusive, the speeches be limited to one per party lasting no more than 30 minutes each at the second reading stage, followed by Committee of the Whole with no debate and then third reading with no debate.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I think that is the essence of the discussion which took place among House leaders. I think, however, when we saw the extent of the first bill we dealt with—and I must say I commend the government for bringing that bill forward; it is a very extensive and admirable bill—there was a great deal of interest. There was a very healthy discussion.

However, in dealing with the bills my friend has recited we would be prepared to agree to that House order. At the outset these items appeared as dollar items but were ruled out of order by Madam Speaker. Although the programs were agreeable, the process was wrong. The government having agreed to a correct process to accord with the ruling of Madam Speaker, we agreed that the matters could go through in a way which would process them quickly. Therefore, with respect to the statement made by the Parliamentary Secretary to the President of the Privy Council, we are prepared to agree.

Mr. Knowles: Mr. Speaker, it is correct that we had planned these debates with the three half-hour speeches at second reading. We just assumed that the time in Committee of the Whole would be very limited. I am a little reluctant to cut the Committee of the Whole debate out altogether. I would even go for 20-minute speeches at second reading if we could have 10 or 15 minutes in Committee of the Whole. Perhaps we could just leave it to common sense. If in Committee of the Whole there are some obvious points of order or questions which should be raised, we could govern ourselves accordingly. However, on the basis that we are not ruling out common sense, we agree.

Mr. Collenette: I am sorry, Mr. Speaker. I sent the hon. member a note a few moments ago, and I assumed he would be in agreement with the suggestion I just made. Perhaps we should go back to the drawing board. However, in terms of reconsidering the proposal I have just made, there is some urgency, specifically respecting the bill involving the Minister of Energy, Mines and Resources.

The Senate will be sitting tonight specifically to consider these bills. We will be sending them over immediately so that they can be dealt with tonight. That is the reason I wanted to preclude discussion at the Committee of the Whole stage. As hon. members know, the nature of debate at Committee of the Whole stage is such that one question leads to another. That is the normal course of events, and we recognize that; but there is some urgency specifically in relation to the other two bills dealing with energy matters.

Mr. Knowles: Mr. Speaker, I do not want to be difficult, and I do not want us to get into a lengthy discussion in Committee of the Whole, but my friend who will be speaking on the next bill, for example, says she has one or two questions she would probably like to put, and she would like to get answers. Maybe the minister could answer in closing the debate at second reading.

Mr. Collenette: Agreed.

Mr. Knowles: In other words, we will keep speeches within the half hour, and if each person speaking from this side asks questions, he or she would be entitled to a reply from the minister while we are still at second reading.

Mr. Baker (Nepean-Carleton): That is a wrinkle which will lead to agreement. Therefore, if that is a firm proposal and if that is acceptable to the government, it is certainly acceptable to me.

Mr. Collenette: I certainly thank hon. members for their co-operation and agreement.

The Acting Speaker (Mr. Ethier): There seems to be general agreement to the suggestion made by the parliamentary secretary. Is it agreed?

Some hon. Members: Agreed.

* * *

CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO ESTABLISH

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-75, respecting a home insulation program for certain provinces in Canada, be read the second time and referred to Committee of the Whole.

Mr. MacLaren: Mr. Speaker, I wonder whether I might call it six o'clock so that we can resume this discussion at eight o'clock?

The Acting Speaker (Mr. Ethier): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until 8 p.m.

At 5.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

ROYAL ASSENT

NOTICE

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that communication has been received as follows:

Government House
Ottawa

June 30, 1981

Madam,

I have the honour to inform you that the Honourable W. R. McIntyre, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of June, at 9.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

* * *

[*English*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that messages have been received from the Senate informing this House that the Senate has passed the following bills without amendment. Bill C-65, an act to amend the Public Service Superannuation Act and the Supplementrary Retirement Benefits Act in respect of the early retirement of air traffic controllers.

[*Translation*]

Bill C-66, an act to amend the Canada and British Insurance Companies Act. Bill C-13, an act respecting the relocation of government agencies. Bill C-68, an act to amend the Currency and Exchange Act.

[*English*]

I have the pleasure to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-80, an act to grant Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1982.

When the House rose at six o'clock the parliamentary secretary to the Minister of Energy, Mines and Resources had been given the floor.

CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Lalonde that Bill C-75, respecting a home insulation program for certain provinces in Canada, be read the second time and referred to Committee of the Whole.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, before we took our dinner recess there was some discussion about the merits of brevity. I shall accordingly attempt to be brief in my comments on Bill C-75.

This bill is intended to give further impetus to the energy conservation activities of the government. It also draws attention to that part of the National Energy Program which I regret has not received as much attention as the supply side; that is the need to conserve energy in Canada. We have had in place for some time a program intended to reduce the consumption of all forms of energy in the industrial sector. Earlier today the Minister of Energy, Mines and Resources made reference to the co-operative arrangements that have been worked out between industry and government to give substance to our commitment to reduce the use of energy in the manufacturing industry in particular.

The fact is, Mr. Speaker, that Canada is one of the world's heaviest users of energy, but that of course is understandable given our vast territory, small population and an often hostile climate. Nevertheless, those factors should not be seen as an excuse for extravagance in our use of energy. Therefore, the conservation efforts embodied in the NEP, indeed in this bill, take on a special importance.

In addition to the industrial initiatives I mentioned, the NEP also envisages new rules regarding residential units which will be implemented as of tomorrow. Hon. members may have seen in the newspapers in the last few days the requirement that no new residential unit will receive federal assistance or guarantees if it is heated by oil, unless no other reasonable energy alternative exists.

● (2010)

In addition to the building requirements, we have embarked upon a program four years ago to promote better insulation in residences. CHIP is familiar to hon. members of the House; I need not dwell on it. It is the principal method of providing funds to encourage greater energy efficiency in our homes. Currently the residential sector accounts for approximately 15 per cent of primary oil use in Canada. We believe that through CHIP which was initiated in 1977 the federal government will be able to encourage a reduction in the consumption of oil and thereby contribute to our total goal of self-sufficiency by the end of this decade.

We have set some substantial targets for a reduction in home heating oil consumption. Home owners are clearly responding to the incentives we are providing through CHIP grants. In 1977 only 15,000 grants were made, whereas the estimate for 1980-81 is for a total of 500,000. This is clearly a substantial increase. Our present goal is to reduce by one-third the oil used for space heating in reinsulating residences.

The bill before us this evening draws attention to the benefits of the insulation program. It will also bring to mind, in the case of some hon. members and in the case of the public, the need to ensure that high standards are maintained in the insulation industry. The government has moved to ensure that certification becomes a basic feature of the total program. We have worked with the Canadian General Standards Board to develop a certification program for home insulation which will be in place on November 1 of this year. Indeed, after that date it will be mandatory for all contractors performing work under CHIP to be certified if they wish to continue in the industry. Equally, we have embarked upon a major program review to determine the extent to which CHIP has met its initial targets and to explore any modifications which may be needed in light of experience.

In our view, the program has proven to be a major success. It is an important feature of the total National Energy Program and indeed of the energy future of Canada. In terms of reducing Canada's demand for imported oil, the program has already reduced our needs by something over $2 billion.

I could continue with some more details about the program, but I hope my necessarily brief introduction is sufficient for a bill which I trust will win the immediate support of all hon. members of the House.

Mr. Bill Domm (Peterborough): Mr. Speaker, if I had not been in place tonight to listen to the introduction of the program more commonly known throughout Canada as CHIP in a somewhat cursory manner as a matter-of-fact program, I would not have believed it. I cannot believe that the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) is so ill-informed that he is not prepared to address what is the major problem in Canada today.

Bill C-75 is a so-called act respecting the home insulation program for certain provinces. Surely the parliamentary secretary has experienced some degree of doubt in his riding about the workmanship and the legislation which have gone into the planning stages of CHIP. I do not think there is an area in my riding of Peterborough which has not corresponded with me on a weekly basis concerning the horrendous nightmare stories connected with the bureaucratic administration of this system of supplying moneys to people to insulate their homes. It is not being administered by the private sector. It is not being administered by the people who are best able to evolve a program which will work for the people, namely, the different regional areas across Canada.

Let me give some specific examples of where the program has created major problems not only in the riding of the parliamentary secretary but in many others. I have a letter from an insulator in Peterborough, George W. Scott, in which he refers to the total disregard and arrogance of the CHIP program. That is the subject. He had three cases where people received government cheques, cashed them and then claimed

they did not receive them. When he requested photocopies of the cheques, CHIP barefacedly refused, as was stated by an employee in the office in Montreal. This is the office one phones, the office with the magic 800 number. I defy hon. members of the House even to get a ring; usually the line is busy. He continues:

"It is against the law", and five minutes later as stated by Mrs. J. Barrette, "It is not a contractor program, and we do not have to help you".

He said that if this is the case it is time the idiotic government should find out from the business community what a serious mistake it is making in trying to administer what could best be administered at the provincial level.

I do not suppose there are very many people in the Ottawa bureaucracy who understand the heating and energy problems in the provinces of the nation, and the same could be said for the provincial governments and in some cases the regional governments. Why does the government feel that it can administer, by instituting an 800 number, a program which will bring economical heat savings to the people of the nation?

Having said all that about the problems of the bureaucracy in administering the insulation program, the parliamentary secretary said tonight that we have a high consumption of energy in Canada because we have a hostile climate. I suggest to him that we have a hostile climate in Canada today because of the national energy policy and bills such as Bill C-75 which the government has endeavoured to bring into play through questionable means. This has already been evident to the House by the rulings of the Speaker.

Also the parliamentary secretary said that the government promotes better insulation. I challenge him to give evidence of that statement. I wonder whether the tens of thousands of people across Canada who used UFFI to insulate their homes feel that the government has given Canada better insulation and promoted better use of commodities in the conservation of energy. I will touch upon that a little later.

● (2020)

The parliamentary secretary said that we are moving toward self-sufficiency in energy by 1990. That statement follows on the heels of a statement made in the House tonight which suggests that we are high consumers of energy, by virtue of fact. What facts can the parliamentary secretary give us which would indicate that we have been moving toward self-sufficiency in the last year and a half to two years? What facts can he give us which indicate that we are not importing more oil from abroad, that we are not becoming more and more dependent on offshore sources for our energy needs than we were the year before? The importation of offshore oil is the principal cause of our national $14 billion deficit which this government is forecasting for the current fiscal year.

I question whether granting $500 per home owner for the current fiscal year will afford us, in the net result, greater independence from offshore oil supplies. This $500 per home owner totals in excess of $250 million, to use the hon. member's figures, if it were paid to some 500,000 home owners. In reality, if we did not have a hostile climate in Canada, if we had not created a national energy policy which caused major divisions in our nation, we would be less dependent on offshore oil.

In discussing Bill C-75 I would like to read into the record some of the concerns expressed by some of the standing committees of this House of Commons with regard to the legality of the process. Clause 7 of the bill before the House tonight reads:

The *Canadian Home Insulation Regulations* made by order in council PC 1981-1435 of May 28, 1981, shall be deemed for all purposes to have the same force and effect from July 1, 1981, as if they were made under the authority of this act.

In *The Canada Gazette* of June 10, 1981, under SOR/81-437 these regulations so appear under the Privy Council date of May 28, 1981. However, in a letter dated June 16, 1981, just six days after these regulations were published, from Mr. R. E. Fowler, senior counsel of the legal division of CMHC to Mr. G. C. Eglington, who is counsel for the Standing Joint Committee on Regulations and other Statutory Instruments, there appears the following:

With regard to the need to expressly refer to paragraph 11(2)(a) of the National Housing Act as the corporation's authority to prescribe standards, it is our belief that the needed change was not made. In this connection, I must say that notwithstanding a written request that we be shown a copy of the regulations well in advance of their submission for approval, the corporation was not shown a draft thereof. Our first opportunity to see the regulations occurred following submission of the regulations to Treasury Board, shortly before their approval by council. Our legal division was, as a result of a hasty review, able to secure a vitally needed change to the proposed regulations to rectify a problem affecting the ability of the corporation to carry out its functions under the program.

The failure to give effect to the standing joint committee's request is regretted. I believe that an opportunity will soon arise to amend the regulations at which time the question of clarifying the reference to "standards" can be dealt with.

Notwithstanding the remarks of the senior legal counsel for CMHC that the failure to give effect to the standing joint committee's request is regretted, and that he was referring the letter from the standing committee to the director general of energy, mines and resources with the request that the department implement the committee's suggestion at the next opportunity, the irregularities which have lately been attached to this bill underline the inappropriate nature of the government's approach to legislation and regulatory reform.

As the preamble to the regulations, as published in *The Canada Gazette* for June 10, states, these amended regulations are made "pursuant to Department of Energy, Mines and Resources Vote 35, Main Estimates 1981-1982, as authorized by Appropriation Act No. 1, 1981-82." As my friend from Calgary Centre (Mr. Andre) has pointed out, this vote is one of several which is not acceptable to the House as spending authority. Therefore, in so far as Bill C-75 accepts these regulations, through clause 7, which do not include changes recommended by the Standing Join Committee on Regulations and Other Statutory Instruments, and endorsed by senior legal counsel for CMHC, I submit that clause 7 might not be sufficient authority to secure our satisfaction. It was not reintroduced into the House in a manner which reflects the 1980 recommendations of the Standing Joint Committee on Regulations and other Statutory Instruments.

Having said all that, I would like to read into the record some examples which should not go unreported. One example which has already come to light regarding the rushed introduction of CHIP is the ill-considered means by which UFFI was approved. Another possible problem, as yet not addressed publicly, is the improper installation of conventional insulation. To quote from a Public Works Canada publication concerned with thermography, the use of special photographic techniques to assess the thermal efficiency of buildings:

> Poor technical performance in buildings is common, . . . Recent investigations undertaken by Public Works Canada across Canada have revealed that defects in insulation placement, air tightness, and vapor control are common. They are often severe and cause high operating and maintenance costs. These inadequacies result in moisture accumulation on the inside surfaces of wall and roof construction. This reduces thermal effectiveness and in certain instances eventually causes material degradation.

Has the government considered performing a survey of houses insulated under CHIP with conventional insulation to determine whether the insulation methods endanger the structure of the house through moisture accumulation? If not, why not? Will the government be kind enough to table all correspondence and other forms of communication between the CDC, Lorcon or Rapco Foam and any of the departments concerned with home insulation, that is, CMHC, NRC, Public Works Canada and EMR? I have been led to believe that UFFI was given approval due to pressure brought by the CDC, which seems to control Rapco through Lorcon.

The government through the Department of Supply and Services, in the last few days has signed a contract with the consultants regarding a possible overhaul of CHIP. What problems are there with the program at present? How many different investigations or charges are under way by the RCMP? I would like to call for these papers to be supplied to members of the House of Commons.

● (2030)

When CHIP was originally announced in 1977, the government set a target of 70 per cent of all houses. Thus far the penetration rate in pre-1961 housing is markedly below the 70 per cent target. This raises doubts in my mind whether the 70 per cent can ever be reached.

A study by the Department of mines and energy in Nova Scotia showed that the average savings in houses insulated under HIP, which is now virtually the same as CHIP in the rest of Canada, was between 7 per cent and 11 per cent. What is the government going to do about this apparent failure? Does it even know what the saving rate is under CHIP?

We know that the program has been inefficient, Mr. Speaker. It has saved less energy than was anticipated by the government. We also recognize that a number of fly-by-night contractors got into the act. Workers have been poorly trained and in some cases standards of performance were low. UFFI is now installed in 125,000 homes in Canada and the government is now going to conduct a study on 2,000 of those homes. What about the other 123,000? In Ontario the provincial government has decided to study 30,000 homes.

How many dangers to the health of Canadians are the result of inadequate testing? How many homes affected are there? I am sure the government is reluctant to assume any responsibility even though it knew in 1977, through a report made to the Department of Consumer and Corporate Affairs, that there was a possible health hazard. Another study was conducted in 1979 and now there is another "expert" study. The government has decided to study the study that studied the study in 1977! This is inexcusable, Mr. Speaker.

The government knows that the home owner's matching contribution will still not be enough to insulate a home properly. It is still far short of the dollars required, on a matching basis, to insulate properly most homes in Canada. The government budgeted $265 million for a year. The bill speaks of $195 million for nine months. I would advise the people of Canada right now that if they are going to insulate homes up to and including December 1977—not 1961 but 1977 as the bill says—there is not enough money in the bill for that.

The homes in Canada that need to be insulated will not be unless everyone starts in July and continues to insulate at maximum capacity. The installers tell me that it is physically impossible to do it. As I say, there is not enough money provided by the bill, but that is typical of the government. Perhaps when the time comes that more money is needed, it will just wind up the presses.

The loose regulations that affect the control of material that goes into the insulation of a home have resulted in only 20 per cent cut in home heating fuel consumption rather than the 30 per cent that was projected. Where is the other 10 per cent? I have not seen a report that explains why the government has fallen 33 per cent short of its objective. Canada is still the highest per capita fuel oil user in the world. If the government thinks that it is moving toward self-sufficiency by creating a National Energy Program that is causing the taps to be turned off, and if it is satisfied with paying $16-odd a barrel to the west and $40-odd to Mexico, Venezuela, Kuwait and Argentina, then I wish it would explain the economics of that decision. Would it not be better to spend that money in Canada to create energy and investment dollars and help us achieve self-sufficiency by 1990?

Shunning the Canadian Standards Association, the government barged ahead in 1980 by formulating its own peculiar brand of restrictions and standards for insulating contractors. I wonder how many members of the government talked to insulating contractors. The contractors will have to be college graduates if they want to pass the test set for them by the Canadian General Standards Board. A number of competent installers of insulation in my area tell me that they find it very difficult, even with the expertise they have gained through years of work, to get a pass mark on the examination set by the government. The CGSB does not have a good track record, in view of the UFFI disaster. If the government is building its hopes on an insulation program based on the record of the CGSB, it should keep in mind the disaster of UFFI which is evident in cities all across the country. The CGSB has a poor track record, Mr. Speaker.

Canadian Home Insulation Program

Canadians are off to a slow start in home renovation. The government owes it to the people to provide reliable information on its fast-spreading and obviously non-productive practices in insulating homes. Only 32 per cent of Canadian homes were built before 1950 and only 8 per cent were built before 1900. This means that 60 per cent of homes have been built since 1950. The problems that the government has with CHIP and its "ugly sister", UFFI, are really inexcusable. People who thought they were saving energy and increasing the value of their homes now find that they have potentially serious health hazards in the air of their homes and they have watched the value of their homes plummet.

I can tell the House of cases in Peterborough, Mr. Speaker, where people have sold their homes because of this government program. They had their homes well insulated with UFFI, sold their homes and established closing dates, moved out of their homes into temporary quarters or, in one case, permanent quarters, only to find that the buyers refused to close the deal because of urea formaldehyde foam insulation.

The government has been batting this around for several months—or several years—knowing full well that there would possibly be a health problem with foam insulation. Its reaction to this possible health problem was to continue studying it. The study committees are now called "expert" committees on UFFI or foam insulation. Is this telling us that in 1977 the doctor who reported to the Department of Consumer and Corporate Affairs that there was a possible health problem with foam insulation was not an expert? Is the government telling us that in 1979, when the tests were carried out on UFFI which indicated a problem, they were somewhat inadequate? I suggest that we look closely at Bill C-75 and its possible inadequacies.

In reality, the government has fallen down on four points. It takes three to four times the amount of the grant established to insulate properly a three or four-bedroom home.

It has given conflicting advice on what the best insulation is. Probably 125,000 people in Canada today thought at one time that UFFI was the best form of insulation to instal. There are innumerable stories from consumers about rip-offs by fraudulent insulation contractors.

● (2040)

If the government is going to enter the marketplace and suddenly become expert in giving advice to the provinces and the regions of this country on what is the best insulation to put into their homes, it should be creating the legislation and the climate in which the free enterprise system can function. The government should rely more closely on the business community to do a job that is satisfactory in the insulation business. Price will take care of itself.

Subsidization of programs by government creating a lesser cost is not always the answer to conservation. I do not think General Motors was convinced to stop building large cars with air conditioners because the government of this country decided to tax that corporation if it put in air conditioners. I think what caused people to buy smaller cars in Canada and forced Canadian manufacturers to build smaller cars is the price of energy. If energy is priced realistically and if the charge for it is what it is worth, then the marketplace will take care of these things in a much better fashion than the bureaucrats in Ottawa.

When the government gets into such programs as CHIP the paper burden increases. A large portion of the money that is spent on the saving of energy across Canada is used by this government to feed the octopus, with its insatiable appetite for tax dollars to keep the flow of paperwork going. What happens to the business community is that every time the government passes these regulations and every time the government puts more pressure on the business community to live within the guidelines set by government, more paperwork is created. As a result, we have higher costs, higher inflation and less employment.

Nothing but confusion surrounds this government's maze of acrimonious acronyms. Only one thing comes to the public's mind when the government's energy conservation programs are announced, and that is confusion. Instead, it should be conservation. Obviously, in the absence of a coherent program for fair and stabilized Canadian oil prices, energy conservation should be the number one priority in this country.

Canadians must be helped, not hindered. Government should create the atmosphere and the climate in which the business community can function. The government should not become part of the business community. I thought the government would have learned that in 1978 with the Enersave program. At that time the government thought it could hire unemployed people to supervise and instal insulation in homes Canada, only to find out that it cost twice as much as if the government had allowed the free enterprise system to do it living within the framework of a truly competitive market.

First of all, the CHIP grant should not be a taxable benefit. Second, a $500 grant is hardly a realistic sum today to insulate properly a home in Canada. Third, there are obviously positive benefits to the business, both at the contractor level and at the wholesaler level—I know it bothers some of the socialists to hear this—and as a result of spin-offs, of an increased rate of insulation under CHIP.

CMHC, one of the major Crown corporations of this government which used to run this program, reported that at meetings held in 1977 with representatives of the major insulation manufacturing companies, federal officials were informed that a substantial increase in production could take place for all types of insulation products. Isn't that nice?

Fourth, there is such an evident lack of cohesion in the government's conservation policies that the people of this country could be forgiven for insulating their ears against the government's continued platitudes—

[*Translation*]

The Acting Speaker (Mr. Ethier): Pursuant to an order made earlier today, I must interrupt the hon. member because his time has expired. The hon. member for Vancouver East (Mrs. Mitchell) has the floor.

[*English*]

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to represent the New Democratic Party in speaking to Bill C-75. I must say first that I certainly agree with the hon. member for Peterborough (Mr. Domm) about many of the things he said, except his last reference to socialists, of course. But I do question the very oversimplistic and astounding statements that were made in the introductory remarks on behalf of the government. This is an act dealing with CHIP for certain provinces in Canada and asks for, I believe, another estimated $65 million for this part of the program. Later we will have a bill for other provinces.

Let us take a look at CHIP, which is the federal government's effort to encourage conservation in Canadian homes. We agree it would be desirable to have a conservation program. We agree with the theoretical goals as they are stated. But the practical experience with CHIP surely falls far, far short of what the intent was.

I will deal with the information part of the program. If we look at the cost of administering this program through CMHC, a considerable amount is required just to put out basic information. The basic information is not practical. It does not get to most Canadians. It is up to Canadians to try and locate these fancy pamphlets. The information does not really advise people in a sound way on the best and safest ways to insulate homes. Seminars are not provided, for example, which would be a sound way for CMHC to give this information. In fact, misinformation has been given. Letters were sent out to consumers begging them to insulate their homes. Many of them insulated with UFFI. People were then sent letters of congratulation by CMHC and government officials for using UFFI. But all the time they were poisoning their environment.

I will deal now with the economic incentives. We have heard that up to approximately $500 is available per household. Homes built before 1977 will now be eligible. The parliamentary secretary did not elaborate on this point at all. We hear that 10 per cent of home owners have received CHIP grants. I am very glad that I am not one of the householders which has a CHIP form of insulation in my home because I think in many cases anxiety has been created by having used it. The goal is to actually upgrade some 70 per cent of Canadian homes by 1987.

I agree with my colleague who spoke earlier that Canadians must have a much sounder guarantee that they will have decent service from people who instal insulation in their homes and that certification will come from the government that the insulation is sound and reliable.

We have heard also about the many fly by night contractors. Hardly a day goes by in my area of Vancouver without phone calls from contractors who ask: "Have you got your free insulation yet? We will put it in for you for $50". We know they are taking advantage of this program. There is no real guarantee that they are reliable. In many cases they have proven to be anything but reliable. The grant itself of $500 would barely cover the cost of insulating a ceiling. Most of the home owners to whom I have spoken are most concerned because they have urea formaldehyde insulation. Because they cared very much for their homes they worked very hard to insulate them carefully. They spent about $2,000 for insulation in the walls of their homes. Most of that sum was their own money, but they found out they were paying for extreme problems.

We can conclude that because $500 does not nearly cover the cost of adequate insulation in a home, most pensioners and lower income people have not used this program. For once they are on the right side of things. For once the poor people have an advantage. At least they have not been poisoned by having urea formaldehyde in their homes.

This brings me to the whole question on which I want to spend most of my time. I want to have in the record the whole history relating to government responsibility for the UFFI type of insulation.

● (2050)

I was astounded that the parliamentary secretary when talking about the marvellous values of CHIP did not mention the health hazards of this foam. There is considerable documentation on it, and I will get to that in a minute. There is not only the threat to humans but the economic problem.

In my constituency there are many people who have worked all their lives to be able to buy a home. The savings they have been able to accumulate have gone into insulation. Now they cannot live in those homes because of the effects of urea formaldehyde foam insulation. They are faced with economic problems, health hazards, stress and anxiety. Many thousands of people across this country are angry because they have been victimized as a result of this insulation program.

Responsibility for the UFFI problem falls directly on the shoulders of the federal government which approved UFFI despite the warnings. It pushed this type of insulation through its CHIP program and praised those who used it. The health hazard was acknowledged in the ban instigated by the Minister of National Health and Welfare (Miss Bégin) in 1981.

I am sorry the Minister of Energy, Mines and Resources (Mr. Lalonde) is not here this evening. He has acknowledged the serious problems. I wish to quote some of what he said on June 1. He stated that the federal government may offer home owners financial aid to replace the potentially hazardous insulation urea formaldehyde as a result of a random telephone survey of 800 homes. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) certainly has not supported this position. He was quoted as saying, "I would never have it in my home". Perhaps the minister showed some good judgment in that instance.

The energy minister stated that if the survey indicated there was concrete evidence the insulation was causing harmful side effects to residents, the government may consider financial aid to replace the insulation. He said that the government would take what steps are necessary. It is time those steps were considered and the budget was allocated for removing this poisonous type of foam insulation. That is the only solution for many of these home owners.

I wish to place on record a chronological review of the problems and the different steps the government has taken in relation to UFFI. This material was first used in Canada in 1969. It was removed a year later because of shrinkage and instability problems. In 1976 the National Research Council issued warnings to the effect that the standards for UFFI were not adequate. In 1977 doctors warned of health problems. It was also in 1977 that the Canadian government approved the use of UFFI. Consumer demand was immediate as the insulation was accepted for use under the government's Canadian home insulation program. In fact, the government was pushing UFFI.

American studies and reports in the 1970s identified instances of medical problems and structural deterioration of buildings after installation of UFFI. A temporary ban was announced by the Department of National Health and Welfare last December and a permanent ban on April 23. I wish I had time to quote from the report of the special committee established by health and welfare.

There are many items in the April, 1981, final report of the Department of National Health and Welfare expert advisory committee on urea formaldehyde foam insulation. There are many points in the report which substantiate the danger to both health and the environment. It is very interesting since the government talks a lot about testing. That is the way of getting itself off the hook. I quote from page 8 of the report:

> The committee has reservations over the usefulness of single ambient formaldehyde measurements. There can be both variations in the day, as well as from day to day variations. Changes in temperature and humidity can affect the readings. Therefore, the significance of a single reading can be misleading—
>
> The committee is therefore not prepared to recommend any level of formaldehyde exposure as inherently safe.

That statement by an expert committee of the government emphasizes that testing one week may show a result quite different from testing the next week, not to mention six months later. Therefore, it does not solve the problem. The health hazard increases as the foam gets older. As it disintegrates, there is more likelihood of the gas affecting the residents of the home.

It is estimated that between 80,000 and 100,000 homes have UFFI. Experts agree that health problems depend on the duration of exposure and the concentration of formaldehyde. It varies as the foam gets older and according to the condition of those living in the house.

Resembling hardened shaving cream, UFFI can break down soon after installation, releasing formaldehyde gas. Symptoms include eye, nose and throat irritation, nosebleeds, headaches, coughing, nausea, asthma-like reactions, vomiting and dizziness. UFFI has been related to cancer in laboratory animals.

Elderly home owners who have visited my office have told me about having to sleep in their cars for several weeks because of the condition of their homes. They have beautiful homes but cannot live in them because of the gas concentrations caused by UFFI. Another example is two elderly people having to live in their basement. The woman has severe health problems. These people are desperate. They do not know what to do. They cannot get any satisfaction from the government. Their anxieties and health problems are complicating the situation.

The federal government continues to stress that only a few homes will require complete removal of the foam. We do not know that. In most cases they say a few less complicated measures will reduce the exposure to the formaldehyde to near normal levels. There is no proof of that. In fact, the report from which I just quoted indicates the reverse.

Residents in my constituency and throughout the Vancouver area as well as in other cities across Canada are organizing. They are angry. These people are well informed about this issue. They have done their homework. They have the research.

Federal officials have continually said that people are unnecessarily alarmed about this. If we lived in a home with UFFI we would be alarmed as well. We would insist on more than just information which, incidentally, is not yet available.

• (2100)

I have already mentioned that in adverse conditions, where many factors come into play, UFFI can cause very serious problems; high temperatures and high humidity which are of great concern in my area, along with poor ventilation and sloppy installation, usually result in the foam having to be removed. We know how inefficient many of the installers have been under the CHIP program. I think it is pretty safe to assume that the installation was faulty in many cases.

The federal government initially telephoned some 800 homes but we have not heard the results of that phone survey. Many of us have asked questions in the House as to why the government was doing this, but presumably it was to determine the extent of the problem.

Federal officials have repeatedly dismissed any legal responsibility but have admitted some moral responsibility. I am not a lawyer but I cannot see why there would not be a legal responsibility since the government itself endorsed and promoted this poisonous type of insulation.

Finally, we find that on June 11 the Minister of Consumer and Corporate Affairs announced he was going to spend $5 million to establish an information line, a co-ordinating centre with a phone that was put into service today, I believe. There was to be a national testing of 4,000 homes. That testing is not really going to prove anything valid. There is to be a board of review set up on June 29 primarily to hear complaints from the industry which is trying to defend its position, just as is the government.

Home owners and, I am sure, landlords who have this problem in their buildings are up in arms. I have received countless letters about this and I have many clippings that I do not have time to read into the record, all of which indicate how really appalled and angry are home owners across the country. What they need is that $5 million and money from the CHIP program put into sound programs to remove this poisonous

foam from the walls of their homes, getting rid of this risk forever.

For that reason I have spent this time talking about UFFI in relation to the CHIP program. I cannot really understand in conscience how we can endorse more money in these estimates for expenditure on a foam insulation program which has not worked and for which the government has assumed no responsibility, a program that has not provided any protection to the consumer and which has been a major health problem for consumers.

We have raised these questions in the House, as have members of the Conservative party. We have made a number of recommendations. First and foremost is the importance of allocating funds for the removal of this foam from these poisoned homes. We agree it is long overdue that installers must be certified. Sometimes I think many of the CMHC and government officials should be certified as well. How the parliamentary secretary could be so innocuous in his remarks tonight by assuming this has been a sound program is beyond me.

We also question the cost of administering this program, and I will come back to this point later in relation to the CHIP program in the maritimes. A very high percentage of the allocation of funds has gone to the cost of administration by CMHC, yet when people phone CMHC about problems with contractors or UFFI they get no help at all.

A few weeks ago I directed a question to the minister responsible for CMHC and appealed to him to have CMHC through its local offices attempt to be helpful to these consumers. Surely that is reasonable since CMHC sponsored the CHIP program initially, as a result of which this foam was put into houses. It seems to me not too much to expect that people with serious health problems who cannot live in their homes until something is done about the situation, like the couple I mentioned, or those who cannot afford to live anywhere else and cannot put their homes on the market because there is no value, should be provided with some kind of alternate accommodation on an emergency basis through CMHC.

As I said earlier, we feel the government must concentrate not so much on testing but on getting this foam out of homes. There is enough proof that it is dangerous and that the hazard worsens as time goes on. Anyone with foam in their homes should be worried about it. Any real estate person would certainly be reluctant to sell a house which was, in effect, poisoned by this foam. We feel there should be tax deductions for people who take the initiative of removing the foam themselves. There should be tax credits in the case of lower income people who take this action.

Most of all I urge the minister, who is not here tonight but who said he would take note of our representations, to consider that his department should do. He is promoting this program through the bill we are discussing tonight. The federal government has continued to push home insulation programs. There are no guarantees at all that any other programs in the future will provide protection for consumers or that they will be sound insulation programs. There is no accurate information being given out to people and, in short, consumers are really quite disillusioned with the whole service of the federal government.

Perhaps there will be five minutes for the parliamentary secretary to respond. I urge the government through the Minister of Energy, Mines and Resources to make some financial commitment for the removal of the foam already installed through the CHIP program, and I urge the government not to proceed with further insulation until that is done or funds to be used for that are made available as a first priority.

Mr. MacLaren: Mr. Speaker, in an attempt to facilitate our work this evening I was brief in my introductory comments. Clearly I set a standard which could not be achieved by others in that there was a certain amount of indulgence in statements which hardly accord with the facts of the CHIP program. I note that the hon. member for Peterborough, (Mr. Domm) who indulged himself in such a cacophony of contradiction and calumny and confusion, and who has in fact left the House, evidently did not wish to hear the facts of the case with regard to the CHIP program. He made his little statements, his allegations, his half-truths and confused remarks, and then left the House. Be that as it may, I shall respond to a few of his comments in the hope that he might actually take the trouble on some occasion to seek out the facts rather than to indulge himself in the way he did.

I regret in particular that the hon. member evidently feels conservation is not a laudatory goal for a government to pursue, and if it happens at all it somehow should be left to the private sector. That point of view seems to me to avoid entirely the question of what the consumer in Canada is to do when faced with higher oil prices. People, especially in lower income groups require, need and benefit from the off-oil program which the minister described this afternoon, and from the CHIP program we have been discussing this evening. Quite obviously, conservation is the quickest, most enduring, most effective and cheapest way of reducing the consumption of energy in Canada, and to hear the hon. member attack that program strikes me as a form of reprehensible irresponsibility.

I suggest that when the member opposite, the hon. member for Peterborough, speaks about the lack of any evidence of the benefits of the program, he overlooks entirely the situation in Canada today. In fact, during the first quarter of 1981 the consumption of oil in eastern Canada dropped by 7 per cent, an extraordinary reduction in a very short time. Here is ample evidence not only of the benefits of the industrial conservation program, on which I touched earlier this evening, but also of the success of CHIP, which has substantially reduced the consumption of home heating oil across Canada, and particularly in eastern Canada.

• (2110)

Not only does the hon. member opposite overlook the reductions in demand which I have mentioned, but he also has paid no heed at all to the savings which have resulted from this program. I noted earlier that over $2 billion in imported oil

costs have been saved as a result of CHIP. These are substantial savings, which will only increase in the future as the program expands. Those are macro numbers and, impressive though they are, they overlook the benefit to the average householder. Good insulation can cut heating costs by at least 30 per cent. Effective insulation can reduce projected home heating costs in 1981 by $230 for oil, $250 for electricity and $180 for natural gas. Quite obviously those savings are of substantial benefit to the consumer across our country, and especially to those, as I mentioned earlier, in the lower income categories. We are providing the opportunity for them to receive benefits and to receive incentive from the government, and we are doing it in a very effective way.

That is not to say, as seems to be the case in the minds of some members of the opposition, that CHIP is intended to meet the full costs of insulation. Not at all; it was never intended to do so, and it does not do so. What the program does is to provide assistance, incentive and impetus for householders across Canada to undertake further insulation and to provide the base cost to assist in such initiative.

Some mention was made about the fact that at the moment under the program only houses built prior to 1961 are eligible. That is true, but it has equally been noted and should be stressed that it is the intention of the government to move that date forward to 1977 at a time when we are satisfied that houses built prior to 1961 are insulated to a more substantial degree than they are at the moment.

With regard to the review of CHIP, a number of aspects of the program are under review. The study which has been referred to is to evaluate the impact of the program on the householder and on the insulation industry and to study how the delivery system might be streamlined. There will be a review of eligible items under CHIP, for example, the impact on rented units and generally the effectiveness of the program as it now stands in meeting its objectives.

I will be very brief in discussing abuse of the program. I refer the hon. member for Peterborough to a statement I made in the House some month or six weeks ago, at which time I reviewed the efforts which have been made to ensure that there is no abuse and, where such abuse has been identified, to bring those abusing the system to the courts.

A number of the comments made tonight should be dealt with. I hope there will be another occasion when we can go into this subject in some greater detail. However, I am conscious that time is passing and that we need to proceed also with our examination of the third bill before us this evening.

With regard to UFFI, upon which the hon. member for Vancouver East (Mrs. Mitchell) spent a great deal of time and made some rather broad statements, I only emphasize to the hon. member that the government has acted to establish a UFFI centre which is now operational. Members of the public can register their complaints or solicit information there. I think the hon. member said there was no toll-free line available. In fact there is.

Mrs. Mitchell: What does it do? How does it help?

Mr. MacLaren: Those who have taken the trouble to look at the advertisements in the newspapers will see that that service is now available. A national testing survey is under way. It will ensure that the facts of the case are better understood. A board of review has been put in place to hear submissions from the industry.

Finally, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) has stated quite clearly that the government will decide on any further action once the results of the national testing survey, the recommendations of the board of review and the findings of the co-ordination centre are available.

With those few comments I hope I have answered some of the questions which were raised during the course of our discussion this evening.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

• (2120)

BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, on a point of order. We have had more discussion, and I must say everyone is showing a great amount of co-operation this evening. In order for Bill C-75, Bill C-76 and Bill C-77 to receive royal assent this evening we have agreed among the parties that the House will sit beyond 10 p.m. to consider Bill C-76 in all its stages and we will not commence proceedings under Standing Order 40 until after Black Rod knocks and royal assent has taken place.

Essentially this means, Mr. Speaker, that we are going to ask members to stay for about an extra 15 or 20 minutes at the very most. The Senate is in session right now on those bills; a Supreme Court judge is here this evening even though they are recessed for their vacation. In view of the urgency of passing these bills, as acknowledged by the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre, we have undertaken to agree to this House order.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is quite correct. I would not want to see these proceedings shortened or the pith and substance of debate lost in any way, but I know the shortening of speeches would be warmly welcomed by all members on these matters, perhaps even retroactively.

Mr. Knowles: Yes, Mr. Speaker, there have been these discussions. We are always interested in the definition of "co-operation" that we get from the Parliamentary Secretary to the President of the Privy Council. If he makes a request

and we bow or agree to it, we are being co-operative. Sometimes co-operation should work the other way.

At any rate, we do agree and if we sit a little late and that makes it necessary for their Honours to stay up a little late over in the other place, I do not think it will hurt them.

Mr. Deputy Speaker: Is it so ordered?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-77, an Act respecting oil conservation and the substitution for oil of other energy sources, without amendment.

* * *

HOME INSULATION (N.S. AND P.E.I.) PROGRAM ACT

MEASURE TO ESTABLISH

Hon. John Roberts (for the Minister of Energy, Mines and Resources) moved that Bill C-76, respecting a home insulation program for certain maritime provinces in Canada, be read the second time and referred to Committee of the Whole.

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I will be very brief but I promise the hon. member for Nepean-Carleton (Mr. Baker) to preserve the pith and substance all the same.

The hon. member for Peterborough (Mr. Domm) was asking earlier for some substantiation as to whether the programs were working and I am very happy to offer him some facts and figures from the Atlantic provinces. It is important to note that, as of June 1, 1981, over 70 per cent of eligible units in Prince Edward Island and Nova Scotia have participated in the program, with the resulting expenditure of almost $7 million.

A recent evaluation of the home insulation program in Nova Scotia indicated 60 per cent of participants experienced an average 9 per cent decrease in fuel consumption. This decrease varied significantly with the kind of work done. Insulating walls, for example, results in a 20 per cent decrease, whereas those installing storm doors or windows resulted in about a 20 per cent decrease. The government of Prince Edward Island has calculated that the use of heating oil there has declined by 25 per cent since 1976, primarily due to the use of the home insulation program as well as an increase in the use of wood energy and the installation of temperature setback devices.

The home insulation program was initially to end as of December 31, 1981. In view of the high participation rate it will proceed as planned. We are, however, examining the feasibility of extending CHIP after December 31 to those residents of Prince Edward Island and Nova Scotia who would be eligible and who have not participated in the home insulation program.

In 1977 it was stated the home insulation program could save a maximum of 2,500,000 barrels of oil annually. At the current international price of $44 a barrel, this amounts to a saving of $110 million.

The total cost of the home insulation program during 1981 and 1982 is estimated at $4,300,000, of which $1,075,000 is requested in the supplementary estimate. These facts and figures prove the program is indeed working. I trust all hon. members will recognize both the past success and the future necessity of this program and appropriate the required funds. On this side of the House we are fully committed to achieving energy security for Canadians. The home insulation program is one part of a much larger picture which is Canada's energy future.

In Atlantic Canada significant progress is under way on a wide variety of fronts. In fact, I would like to read from the most recent list of approved programs in Atlantic Canada, the kind of thing being done by the federal government. In Dartmouth, space heating with a wood waste Parrsboro-made furnace is a new program just approved. The Metro Transit Commission in Dartmouth has a grant to heat with solar heat in the new transit facility. Dafron Industries Ltd. in Lunenburg is now launching a sawdust waste-burning furnace for space heating. Riverport Electric in Kingsburg-Lunenburg has received a grant to monitor the wind profile at Hirtle's Beach.

We are creating a heat sink source for the new dental school at Dalhousie university in Halifax. Interprovincial Engineering in Halifax is studying the feasibility of hydro power from municipal watersheds. And in Mabou there is a new project to evaluate a small hydro site. In all, there have been some 36 projects launched just recently in the Atlantic provinces by the federal government to make the Atlantic provinces energy secure.

I urge the House to support this bill.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, we on this side certainly support this bill and its quick passage. However, I must say the government spokesmen make it awfully difficult to be reasonable and pass things by their use of misinformation in rationalizing these programs. The program stands on its merits. It encourages the use of insulation and other fuels. However, the numbers used to describe the success of the program are absolutely absurd. The house I live in Ottawa has not been changed. It is relatively new and if I were offered CHIP I would not know what to insulate. However, we have reduced our energy consumption by about 10 per cent over the last three years because energy is darned expensive and I turned the thermostat down.

Now, I suppose my savings are going to show up in some bureaucrat's statistics so they can say "Look, CHIP is working marvellously, HIP is working marvellously, we have saved 10

per cent." Nonsense! They have not saved a darned thing as a result of the program. The saving is a result of the decision I made and similar decisions are being made by millions of Canadians. So my plea to the government is: For crying out loud, be honest; let the programs stand on their merits. Do not cook up these numbers because it makes it awfully difficult not to respond in kind and escalate into a battle over something we should not be battling about.

I have to say, Mr. Speaker, that the whole energy programs smells of that kind of misuse of data and information, such as the revenue sharing of 45-45-10, which is a bunch of hooey. It is absolutely indefensible. We have the totally fabricated demand curves in the NEP. They showed supply and demand had to cross in 1990 because the minister said they would. So somebody drew a line, today to 1990, and that is a demand curve. It is an abuse of integrity or fairness. That kind of dishonesty in approach does nothing to contribute to the understanding of government programs on the part of the public. It does nothing for the credibility of government. It does not help one iota in terms of developing the policies and programs we need.

● (2130)

Yes, we support HIP; yes, we support CHIP. But please do not abuse us any more by referring to fictitious numbers and claiming that these programs are responsible for all the savings. It is just not so. The programs help. They are part of a parcel of things which help. But please do not abuse us with numbers manufactured by the same people who wrote the atrocious document of last October 28.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I will be very brief. I have several questions relating to housing in the maritimes and their home insulation programs. I do not believe the minister clarified why the programs are different in the maritimes. I understand they are largely administered through the provincial governments and subsidized by the federal government. Perhaps I am wrong, but I would be interested in hearing the minister's remarks.

Also I believe that the dates which are being applied to the programs are different in the maritimes. They will receive funding to insulate homes built up to 1981, if I am not mistaken. Why is this aspect different from other parts of Canada?

Also I would be interested in knowing what other conservation methods are being promoted. What other sources of alternate energy are being promoted, such as solar heat and so on?

I believe an article appeared in *The Globe and Mail* today which indicated that CMHC is adopting rules on oil-heated homes which will take effect tomorrow. Particularly it was indicated that homes heated by oil will remain eligible for mortgage insurance in the four Atlantic provinces and in the two territories where the alternatives of natural gas and electricity are not available at reasonable cost. In the other provinces new oil-heated homes will not be eligible for mortgage insurance through CMHC. This seems quite reasonable. It is a good incentive, with the exceptions where they should be, in the Atlantic region.

Having visited the Atlantic provinces on a housing tour, I noted some of the housing characteristics of Prince Edward Island, Nova Scotia and the other Atlantic provinces. There is a very high degree of home ownership. Many people do not have mortgages. Many of the homes were self-built.

Why is nothing being done to change the application of CHIP so that people can put their own labour into it? Why must they always go through contractors in whom they really do not have much confidence? Why cannot this program be adapted so that people can do it themselves? Perhaps there could be seminars or some assistance for these people to do it themselves. Then they could make sure the money is spent the way it should be. It would make sense, particularly in the maritimes where there is a tradition of building co-operatives and putting their own labour into their homes.

Also I noted that things are changing rapidly in the maritimes. This gets back to housing costs. I saw white-painting in city centres which put up the cost of housing. I think the conversion of older homes and the rehabilitation of them would certainly increase demand for home insulation. Also I noted zero vacancy rates in the larger cities. Saint John is very similar to Vancouver. I gather Halifax now has the highest percentage increase in house prices. Surely this will have an impact on the program as well.

I received a number of letters from people complaining that there was not a fair allocation of money for co-op housing in the maritimes, particularly in Nova Scotia. I would be interested to know whether there are any facts concerning the number of maritimers in these two provinces who have used UFFI. I understand there were considerable complaints in the past about problems with another type of insulation known as a cellulose fibre material. It was installed in 40 per cent of the maritime homes which used CHIP grants. This insulation can rot in Atlantic weather and affect the structural stability of houses. Pressure from insulation installers to lower test standards to allow more insulation material on the market has produced a situation similar to the UFFI problem. The problem is the same, so I will not repeat my questions.

I must say that I did not receive any serious answers from the previous government speakers. I would be interested in knowing what guarantees there will be for consumers in the extension of this program to make it available for modern houses. What compensation will there be for those people who are victims of poor insulation programs, particularly UFFI? Has the government received complaints about this from the Atlantic region?

In closing, I should like to register my concern in regard to some of the figures and estimates for these programs. Going back to the budget for this fiscal year, I note that $3,200,000 was allocated for contribution payments to individuals for the home insulation program in the two Atlantic provinces. Also I noted that the contribution payments to CMHC for administrative costs were $1,100,000. This is 35 per cent of the total

allocation for those two provinces. I think there should be some explanation why that amount of federal money is going to CMHC administration, not to the people who need home insulation.

Mrs. Erola: Mr. Speaker, as to the first question, Prince Edward Island and Nova Scotia were originally selected for the insulation and energy conservation program because they required a means of offsetting the substantial increase in the cost of electrical generation resulting from their high reliance upon imported oil-fired thermal generation. This was the real reason and the urgency for the program in that area.

It was determined that the resulting expenditure burden on consumers would be greatly reduced by a policy aimed at greater efficiency in consumer use of petroleum energy in general and specifically by a program which would result in greater efficiency in space heating.

The home insulation program was first introduced in PEI. Based on the experience in that province, CMHC anticipated a good response from householders in Nova Scotia, so a decision was made to go ahead with the expanded program.

As to the second question concerning eligibility, the home insulation program applies to units built and occupied prior to January 1, 1977 in Nova Scotia and in Prince Edward Island. The eligible units include principal residences, either rented or owned; houses or apartment buildings three storeys or less; mobile homes and hostels are also eligible. A grant is provided for either the cost of materials in the amount of $350 or one-third of the total costs of labour and insulation materials to a maximum of $500. The home owner can instal it himself; there is an either/or provision. I hope I have made that clear.

A further indication of federal assistance to these particular areas of Canada, PEI and Nova Scotia, is the fact that this grant is non-taxable. There are other items included in the program, such as insulation materials, weather stripping, caulking, and the installation of storm windows and doors. Applicants go through a pre-application process to obtain approval for the proposed work prior to having the work undertaken.

I hope these are the answers the hon. member requested. At to co-operative housing, I would ask the hon. member to direct those questions to the minister responsible for CMHC.

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

Some hon. Members: Question.

• (2140)

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Collenette: On a point of order, Mr. Speaker, in view of the great progress we are making we will now proceed to Bill C-70, standing in the name of the Minister of Agriculture, as agreed to by all parties. Unfortunately, the Minister of Agriculture is not here this evening and the hon. member for Qu'Appelle-Moose Mountain has very magnanimously agreed to speak ahead of the minister. He will speak until the Black Rod intervenes, pursuant to the order made earlier.

Mr. Baker (Nepean-Carleton): On the same point of order, Mr. Speaker, it should be noted that there is agreement with what the parliamentary secretary has said. It should also be noted that the hon. member for Qu'Appelle-Moose Mountain was one of the most distinguished ministers of agriculture this country has ever had.

Mr. Knowles: Once again, Mr. Speaker, we are being co-operative. We are agreeing to what is requested of us. I would like to be sure that the absence of the Minister of Agriculture does not mean that he has gone to the Senate!

* * *

ANIMAL DISEASE AND PROTECTION ACT

AMENDMENTS RESPECTING COMPENSATION PAYMENTS

Hon. Paul J. Cosgrove (for the Minister of Agriculture) moved that Bill C-70, to amend the Animal Disease and Protection Act, be read the second time and referred to Committee of the Whole.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the circumstances under which I rise are quite unusual, I do take great pleasure and some honour in making these few remarks about Bill C-70.

What I wish to do is put before the House, as a proper preliminary to these amendments which we are now discussing, something of the history of this very important legislation which has been on the books for over 60 years. This bill is called "an Act to amend the Animal Disease and Protection Act."

As the House knows, the movement of any form of livestock or any form of plant material across borders is one of the most sensitive things in the world today. The one act that protects the producers and consumers of animals is this act which we have before us.

My first memory of this act goes back 30 years to the unfortunate outbreak of foot-and-mouth disease in Saskatchewan in 1951. At that time we had an act in place which allowed for a very small compensation for animals which were destroyed. The circumstance at that time involved a person who had been travelling in Europe, who came to work on a farm near McLean, Saskatchewan and who had apparently carried on his clothing some of the virus of this disease which we are now discussing under one of the sections of this bill. This virus caused the spread of foot-and-mouth disease, which

is a very serious disease in Europe. Any mention of it in North America causes great panic in the market squares of Canada.

Foot-and-mouth disease affects all forms of animals with cloven hooves; but it also has another effect, too, and that is that it debilitates the animal. But the animal can recover. The fact remains that the spread of this virus terrifies those of us who have dealt with it.

Parliament may not know, but one of the proudest sections of the Department of Agriculture is the health of animals branch, which is made up of a group of underpaid veterinarians who have done more to build up the cattle industry in Canada than any other group, outside of the breeding section, I suspect. These men worked to a standstill, at great physical discomfort, to clear this country of tuberculosis.

That program went on from the early 1920s, all during the twenties, the thirties, the forties and the fifties. I had the privilege of doing the last inoculation of some 15 million animals which had been inoculated over that long period of time. Today, Canada remains free of bovine tuberculosis because of the magnificent veterinarians from all across Canada who serve in the health of animals branch. Tonight we are carrying this bill forward trying to meet with current conditions.

I introduced my remarks by talking about foot-and-mouth disease, since it strikes terror into all producers of beef, pork, etc. We have never had to endure in North America what has been endured in Europe. We are very fortunate that when this disease did break out in Canada in 1951 we had a very competent health of animals branch which moved into the battle. The battle was not that terrible because the few animals which had the infection recovered. The fact is that the virus has moved down that one creek, the Waskana Creek, through Regina and northwesterly from Regina, and got into some of the purebred herds. What made it difficult for the health of animals branch to fight the spread of that virus was the fact that the compensation in the bill at that time was so low, based on a previous period when prices of cattle were much lower, that no farmers with purebred dairy or purebred beef wanted to report any signs in their herd which would indicate the presence of that disease. They were afraid to do this because they knew the procedure was to quarantine the whole herd and, if necessary, destroy the whole herd, even if it were healthy. But because the animals had been exposed, under the rules of the game, and to win confidence in the world that we were fighting this battle, all herds were destroyed.

● (2150)

I do not see the hon. member for Moose Jaw (Mr. Neil) in the House, but he would know about this because the main part of the outbreak of foot-and-mouth disease in 1951 occurred in his area. Many of us remember these beautiful herds of dairy and beef cattle being brought in. They were some of the most beautifully bred animals I have ever seen and it was tragic to see them being lined up and shot, then dumped into pits with chemicals thrown over them. It was a cruel sight to see, knowing that the farmer concerned had his basic herd destroyed when he knew that all the animals were healthy. It was done for a psychological reason—to prove to the Americans, who were our main market, that we would do everything possible to eliminate that disease entirely. We won the confidence of the American market and got it back in the next year or so.

Next I want to describe the very dramatic debate that took place in this House in the summer or early fall of 1951. The minister of agriculture at that time was the Right Hon. James Garfield Gardiner. He put up a sturdy battle to protect the act as it existed at that time. He had no choice but to do that. The compensation offered was too low to induce farmers to volunteer information. The member on this side of the House who led the debate was the Right Hon. John Diefenbaker. For four or five days the two men fought out the issue of expanding compensation to include farmers on voluntary report, so that there would be no question of anyone losing his whole livelihood because he made this contribution to the industry. The Right Hon. Louis St. Laurent settled the issue and ruled that what the then member for Lake Centre proposed should be accepted and the compensation rated to a level that the farmers would feel was equitable.

I was present during that debate and, of course, coming from the affected area, I had an intimate knowledge of all the people concerned. The experiences of that terrible summer of 1951, when foot-and-mouth disease almost threatened to destroy the beef industry of western Canada, have never left my mind.

Tonight our purpose is to amend the act, and the key issue is compensation. The provisions of the bill make all the animals listed available for compensation at market price. Two groups of diseases are exempt; one is tuberculosis, which, to my knowledge, was wiped out 20 years ago in Canada; the other is brucellosis. The reason for this is that both those diseases have direct effects on humans; in other words, the disease is transmittable from animals to humans. I suspect that is the reason that the health of animals branch always paid special attention to them.

It is regrettable that even though the level of compensation is increased in the bill to the market price for all animals, a different technique is used for animals suffering from tuberculosis and brucellosis. It is commendable to raise the amount over what it has been for the last five or six years, but it still does not meet the experience of the last 50 years.

In the last four or five years brucellosis came from Manitoba into my riding so I have some experience in this area. I have seen herds of 700 cattle slaughtered when I doubt if any more than two or three of the cattle had ever been infected. I saw a family forced to feed their animals in a closed area under quarantine. They could not put them out to pasture where there would be contact across the fence with other animals or other grass, because the virus spreads by contact with grass, grain, mud and so on. After the winter feed was gone, the farmer had to haul grain and water. Eventually he had to borrow thousands of dollars every week in order to bring in

feed and water for his animals. He was not allowed to sell them. The family almost went into bankruptcy.

Thanks to help from the health of animals branch, I was able to get through to the government the fact that this farmer should be helped. If the health of animals branch wanted to keep that herd under quarantine, then I thought it was its responsibility to feed and water them and to keep the farmer and his family from going broke. The branch finally accepted this argument and on the instructions of the chief in Ottawa gave the order to slaughter the whole herd even though they knew that, if they waited long enough and no more cases of infection occurred, the herd would have been cleared and left intact.

There are not many animals on that farm today and a lot of the barns have been burned down; but the farmer hopes it can be rehabilitated and again become one of the major cattle producing farms of Saskatchewan.

This bill makes the mistake that has been made every time this situation has occurred in the last 50 years. A fixed amount has been set for compensation for brucellosis and tuberculosis. A fixed amount is dangerous, Mr. Speaker. If the price of cattle is above that set by legislation when brucellosis occurs, the farmer will have a feeling of being discriminated against, as was the case with outbreaks of foot and mouth disease and when we were fighting the outbreak of brucellosis which came from Manitoba to Saskatchewan. It is not possible for legislation to establish the value of our cattle at the moment they are to be killed.

I know nothing can be done at this late date, but Treasury Board must learn that it is necessary to include a flexible formula based on the market price for an average period of quarantine so that the farmer will not be subject to the whims of the only buyer who is allowed to buy. He will not get a fair market price when there is only one buyer. The packing plant that will take the animal is appointed by the health of animals branch. The minute the animals go through the gate, they are subject to the packers' price.

Even though the amount of compensation is fixed, if, as I expect to happen in the next two or three years, cattle prices increase from the 70 cents to 80 cents per 100 pounds live weight at present to over $2, that would make a 1,000 pound animal worth $2,000 or $2,220. It would be a blow to the farmer to have to accept $1,200 each for several hundred animals that have to be slaughtered. Often they would represent a lifetime of work.

I should have liked to see the bill include a formula which stated that the market value would apply to cases of brucellosis and tuberculosis, based on the number of days the farm was in quarantine and giving the average price for that period. If that price were flexible and moved up and down with the market, it would encourage every farmer who had a suspicion of something wrong with his herd to report it. If he saw a cow abort he would report it immediately because of the possibility of brucellosis. If he does report it and finds that it is brucellosis, the whole herd is condemned as well as all the other herds who have been in contact through fences, neighbouring pastures or sharing a common pasture. The loss effect, economically and otherwise, is tremendous.

• (2200)

I think it would be wise for us to remember the next time we amend this bill that Parliament should have a little more time to get amendments through. I know that the health of animals branch wants a flexible formula, but I also know that Treasury Board works on very fixed principles protecting the public purse. I know the reasons for the arguments on both sides. We are not doing credit to the whole purpose of this bill by putting in the section with maximums in it. Whatever the maximum is, it is generous now for the average type of animal, but it does not allow for exotics and above all it does not allow for the rise and fall of the price structure. That is the essential weakness in the bill which has been there ever since the beginning, even though we are generous in raising the amounts at various times in the life of this bill; but the fact is it should be flexible to make sure there is no sense of loss, inequality or injustice whatever. It is imperative to those who are trying to build up the cattle industry, indeed to the survival of the human race, that there be no hesitation on the part of a farmer in reporting anything unusual.

These diseases can be damaging and devastating, affecting whole continents and the lives of thousands of people. I would think in introducing this bill on behalf of the minister that the minister should be as straightforward as I have tried to be in saying that this bill has good points but also this one fatal weakness.

I know the health of animals branch has for three years had before Treasury Board the proposal respecting a flexible formula. I am sorry they did not get it. I am sometimes tempted to suggest very strong action by ministers when they run into this type of situation. We all agree, regardless of party affiliation, on what should be done, but we run into this hurdle every time because the legalistic-minded people who draft these bills do not think about what the health of animals branch has to face in dealing with these terribly contagious diseases which can do so much harm in a short space of time.

I will not horrify the House with examples of what I have seen in this field. I simply say that I am glad that we have been able to get this bill into this House, even if it has been two or three years in the making. We are glad to put it through but with the warning of what is going to happen as sure as we are all sitting here.

I hope any other person who wants to discuss this bill will bring forward the other aspects that I know are lacking in the bill. I can think of a few but others may want to speak to them.

I was supposed to speak until Black Rod knocked on the door. May I continue, Mr. Speaker?

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Royal Assent

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think what I have said so far has been relevant to the bill, but what I will say now will be wider in scope.

I shall now talk about the cattle industry in Canada and the United States. The cattle industry has been one of the great growth industries of our country in the last century. There is no question but that it has added more income on a stabilized basis to the farm income of Canada than any other source. It does not have the ups and downs that grains have. It does have its ups and downs in the breeding cycle and in the supply and demand cycle, but generally speaking it has been the most productive—

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills: Bill C-75, An Act respecting a home insulation program for certain provinces in Canada, and Bill C-76, An Act respecting a home insulation program for certain Maritime provinces in Canada.

THE ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

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

• (2210)

And being returned:

[*English*]

Mr. Deputy Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act respecting a home insulation program for certain provinces in Canada—Chapter No. 57

An act respecting a home insulation program for certain Maritime provinces in Canada—Chapter No. 58

An act respecting oil conservation and the substitution for oil of other energy sources—Chapter No. 59

An act to amend the Department of Labour Act—Chapter No. 60

An act to provide for the prohibition of certain international air services—Chapter 61

An act to amend the Canadian and British Insurance Companies Act—Chapter No. 62

An act to amend the Currency and Exchange Act—Chapter No. 63

An act to amend the Public Service Superannuation Act and the Supplementary Retirement Benefits Act in respect of the early retirement of air traffic controllers—Chapter No. 64

An act respecting the relocation of government agencies—Chapter No. 65

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1982—Chapter No. 66

• (2220)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RAILWAYS—MEASURES TO AID MOVEMENT OF INCREASED GRAIN EXPORTS—GOVERNMENT POLICY ON USE OF RAILWAY SERVICES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my purpose in rising this evening is to register my total dissatisfaction with the answers I received to two very important questions earlier today during the question period. One deals with the matter of grain transportation and the matter of rolling stock, and the other with the railway capacity problem, particularly as it relates to western Canada. Both of these issues, to me, are issues in which the government is failing very dramatically.

I should like to deal first with the matter of the grain carrying fleet. What is happening is that the boxcar fleet dedicated to the movement of grain is decreasing very rapidly. In 1980 there were some 28,400 pieces of rolling stock composed of 14,400 boxcars and 14,000 hopper cars. That boxcar fleet is declining at the rate of about 1,000 cars per year with respect to the CNR and 800 cars per year with respect to the CPR. This means that at the end of this year, 1981, there will be 3,600 fewer cars in the grain carrying fleet than in 1980.

The Minister of Transport (Mr. Pepin) in his answer today said there is no need for more hopper cars. I should point out that in the 1979-80 crop year we were able to move some 23 tonnes with roughly 28,000 pieces of rolling stock. What is happening is that the movement of grain both for export position and for commercial position in Canada is now declining. We are now faced with an uneviable record of moving less grain in this country than we did last year at the same time. I should like to put these figures on the record.

The total commercial disappearance of Canadian grain from August 1 to June 10, 1981 is recorded at 23.674 million tonnes. For 1980 over the same period, August 1 to June 11, that figure was recorded at 23.882 million tonnes. I should point out that while we are about 100,000 tonnes ahead in export disappearance we are about 285,000 tonnes behind in commercial disappearance. So we are falling behind now and

we are going to continue to fall behind further still unless our rolling stock is replenished.

The hon. senator in the other place said, and I quote from page 2636 of Senate *Hansard*:

—the ordering of hopper cars and the number of hopper cars needed are now under active consideration.

Yet at the same time the Minister of Transport said in the House today that it is the view of the government, based on a number of studies, that there is no need for more hopper cars this year. Whom are we to believe? This is another clear example of total inconsistency on the part of this government.

● (2225)

Let me point out that the grain transportation authority recommends that we should be putting at least 1,300 new hopper cars into the system on an annual basis. That is supported and endorsed by the advisory committee. As a matter of fact, that committee passed a resolution just recently, which I will quote:

That the Advisory Committee to the Canadian Wheat Board urge the Government of Canada through the Minister of State for the Canadian Wheat Board that orders be placed immediately for additional hopper cars in accordance with the requirements recommended by the Grain Transportation Authority.

Mr. McKnight: That means now.

Mr. Mazankowski: That means now, as my colleague, the hon. member for Kindersley-Lloydminster (Mr. McKnight) suggests. The Booz Allen report commissioned by this government recommends that we should be bringing at least 1,900 new hopper cars into the system every year now through 1985. Someone here is dramatically out of touch. I think the Minister of Transport is pathetically out of touch on this whole issue.

I come now to the question of rationing. The government House leader in the other place says that the federal government plans to ration western Canadian rail space soon with a system of allotments for exports. He went on to say:

It's an absolutely urgent priority... It's the most important priority we're facing.

Today in the House the Minister of Transport pooh-poohed the idea. The Prime Minister (Mr. Trudeau) said we should not have laughed at double tracking. I have read the Senate debates for June 29 at page 2638 in relation to double tracking, a matter raised in the other place. This is what the minister in charge of the Canadian Wheat Board had to say about double tracking:

Many people felt that this statement was rather foolish and farfetched.

The commitment of the Prime Minister was to double track the line from Winnipeg to Vancouver using the existing sidings. I have to agree with the Minister of State for the Canadian Wheat Board on that.

I want to know what the government is going to do. Will it stand idly by and do nothing about the capacity problem, recognizing that there is to be a 70 per cent increase in traffic demand in western Canada? Will it do nothing about finding adequate revenues for the railways for the movement of grain? Will it allow our reputation as a reliable supplier of grain and other export commodities once again to deteriorate? In short, is it the policy of the government simply to stand idly by and allow this policy of rationing, which has been talked about by the railways, to take place, or is it going to do something about it? If it is, would it please tell this House what plans it has? It owes that explanation to the House.

It owes it to this House, the people of Canada and particularly the producers and those people who rely upon the movement of export commodities to port position for movement to other countries. It owes it to everyone to lay its plans before this House and the country so that we can get on with the job of building, providing jobs and strengthening the Canadian economy.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member has raised several issues related to the adequacy of western rail capacity to meet the anticipated demand, especially from bulk commodities, in the coming years. In a sense some of these issues are peripheral to the main issue. For example, it is obvious that the government will have to look at the need for additional grain hopper cars in the near future, but the general view in the grain industry is that an order does not have to be placed immediately.

The hon. member seemed to object to a press report in which Senator Perrault was quoted. Without knowing exactly what the Senate leader said, it is clear, even from the press report, that he was talking about possible rationing by the railways, not Ottawa, and that this could occur in 1985 if decisions are not made soon. These distinctions, however, are not very comforting for the producer of coal, potash or grain who will be faced with congestion and bottlenecks. The main issue here is that bottlenecks will occur, and rationing is unavoidable unless railways obtain sufficient revenue to invest soon in increased rail capacity.

The hon. member has correctly identified this as the critical problem. Others, including the Minister of Transport (Mr. Pepin) in his speech last fall in Edmonton, have also done so. What they have recognized is that the debate, which started as a discussion on what to do with the Crow rate, has now evolved and broadened to a global concern for western economic development. As everyone knows, the western economy depends heavily on the export of raw materials. If the transportation system does not have the capacity to move them, the economy of the west, indeed of the country, will suffer.

Some months ago, the Prime Minister (Mr. Trudeau) said in the House that he was not willing to consider changes to the Crow rate unless there was a consensus in the west that changes had to be made. In my view, Mr. Speaker, more and more westerners are now realizing that this is not just an agricultural issue but one that affects western economic development in general, and they are speaking out. As a responsible westerner, I am sure the hon. member does his best each weekend to build the consensus that the government is seeking. I hope he encourages his colleagues to do the same.

Adjournment Debate

● (2230)

AGRICULTURE—INCREASE IN NUMBER OF ELIGIBLE TOWNSHIPS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, on April 1, I asked the Minister of Agriculture (Mr. Whelan) if he could confirm to me and my colleagues whether an additional 400 plus townships have been added to the herd maintenance assistance program. He confirmed that and very kindly sent me a list of the additional townships. However, I would like to know why I was denied the original list. When my office asked we were told it could not be made public and no reason was given. I am sure the minister's office was just as confused as I was at that answer, but I would ask the minister now to release the original list of townships that were eligible under this program. Since the additional list was released I am sure there could be no objection to releasing the other list.

I brought up another anomaly that I would like to have clarified. There are some 3,000 farmers waiting to have their applications reviewed by cabinet and I would like to know how long they have to wait. I am not sure who is reviewing them and I hope I can be informed of that tonight. These farmers and cattlemen are waiting for their applications to be reviewed because of the precipitation data criteria established by the government. Some of these people have been waiting since last fall. They have already had a calf out of the cow they were paid to maintain but have not yet received any money.

In addition, I asked the minister why some 1,100 applications reviewed by the appeal board are now sealed and cannot be opened by the PFRA people for review. I should say these 1,100 odd files have to do with crop yield. I do not know why the PFRA cannot not be made aware of the decision and the methodology the appeal board used in turning down these 1,100 applications. I would like to repeat, there are 1,100 applications which cannot be reviewed by any cabinet decision unless hopefully tonight the minister or his parliamentary secretary will explain to me that they are going to be reviewed. This would be very much appreciated by the producers. I hope they would review both sets of applications and do it now.

The review by cabinet that I spoke of will take place I hope next weekend in Winnipeg, when the senator responsible for the Canadian Wheat Board and the Minister of Agriculture meet there. That meeting will be looked forward to with anticipation by producers in all parts of Canada.

The other thing I would like to ask about to this. The Minister of Agriculture, in announcing the grain embargo compensation payments, made the statement that they were able to use $100 million they had set aside for drought relief in the year 1981. If it rained in western Canada there was no need for drought relief and we were going to take the $81 million from that fund, leaving approximately $19 million.

● (2235)

I am also told that approximately $40 million has been spent from the $60 million allotted for herd maintenance drought relief in the year 1980. That leaves approximately $40 million. When we take the 3,000 farmers who have their appeal reviewed by cabinet decision because of rainfall, and the approximate 1,100 who have not had the ability to appeal because of crop yield, that is $40 million for 4,000 farmers. I do not think the government can plead that it does not have the cash flow to meet this demand. People who in good faith applied and kept their cattle herds at the request of this government are still writing to their members of Parliament.

The area of the hon. member for Vegreville (Mr. Mazankowski) was one of the areas left out and had to be included later. I converse quite often with the hon. member for Athabasca (Mr. Shields). We are now receiving telephone calls from people saying they have not heard whether they have been rejected or accepted, or they have been accepted but have not received a cheque. I am sure the parliamentary secretary understands that when the government makes a commitment, the people of Canada expect it to honour that commitment, and not in 12 months but as soon as possible.

I see that the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. MacLellan) is here. I am sure he will give me a responsible answer. He will agree that the payment of compensation for herd maintenance and drought relief is long overdue.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I will attempt to deal with many of the points the hon. member made in his presentation. I will deal basically with his original question and say that, as part of the review process under the herd maintenance assistance program, an individual review of each township outside the severe drought area was undertaken.

In the first instance, this review was undertaken by the program staff as townships were identified during the initial process. A report and recommendation were prepared for each township and forwarded to the review board when it commenced operations in January, 1981. These reviews were based on all available precipitation data for each township under consideration.

During the board's initial review of some of these township files, it became apparent that the board did not concur in many of the program's staff recommendations to reject townships on the basis of precipitation levels greater than 60 per cent of normal. To resolve these disagreements it was agreed that professional hydrologists employed by PFRA would carry out rigorous regional storm analyses on all townships outside the drought area. These analyses are based on the premise that if any point within the township received less than 60 per cent of normal precipitation, the township met the program precipitation criterion. The analyses considered only basic regional storms and ignored peak storm values and localized precipitation. Based on the regional storm analyses of April 14, 1981 the review board and program staff have concurred in the inclusion in the drought area of approximately 450 townships out of the total of 1,300 townships originally identified as outside the drought area.

In addition, the hon. member made reference to the cases presently under consideration. It is believed that these deci-

sions will be made and identified very shortly. With respect to the 1,100 that he mentioned are sealed in Regina and will not be forthcoming for cabinet appeal, he is correct in his statement. These 1,100 have been looked at by the review board, contrary to what was mentioned earlier, and they are determined not to qualify. Every consideration was given to these people and it is possible to bring everyone who requested assistance under this program within the criteria. The review board recommendations were then reviewed in turn by the PFRA officials and it was on the basis of both these reviews that it was determined they just did not qualify. They are not, "sealed in Regina"; they are merely filed away under the normal business practice.

● (2240)

INDIAN AFFAIRS—DEPARTMENT'S TREATMENT OF MANITOBA INDIAN BANDS

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I am here tonight to draw attention to a question which I asked some time ago of the Minister of Indian Affairs and Northern Development (Mr. Munro). In fact, I asked the question on March 16 of this year.

Basically, what I asked the minister at that time was for an assurance that his department and he would do everything possible to meet the needs of the Indian people in Manitoba. He responded by saying that some of the matters I raised at that time had already been dealt with in meetings with Indians in Manitoba. In response to a supplementary question he said that I was becoming repetitious. If the question is becoming repetitious it is only because it has not been answered. What is the government doing to meet the needs of Indian people In Manitoba? I will continue to raise this question until it is answered in a real way.

All it takes for any citizen, including the minister or any of his representatives, is to look at the conditions of the Indian people in Manitoba, as they are common across this country. They have only to look at the social conditions, the economic conditions and the financial status of Indian people to see that the question has not been answered.

One might ask oneself whether this is really an important question, since it is not a new question and the conditions are almost perennial. As a Canadian I say that it is very important since it remains a blot on our social landscape. It is a matter of shame that in the history of our country we have allowed the disparities which exist between the Indian people and the general population to become so broad. I say that the government is wrong in not acting to reduce these disparities. I feel the people of this country are willing to pay the price necessary to allocate financial resources to reduce those disparities, and to reduce them in a significant way.

Today, in preparation for tonight, I spoke to the Indian leaders in Manitoba to obtain an update on their meetings with the minister and with regard to whether or not the minister had turned around and started to take some real action. Unfortunately, what I found is that the Indian leaders in Manitoba still have a plethora of unmet priorities to which the minister has been unable to respond.

Even though this may sound unkind, I must say that while the minister has often met with the Indian people he does not seem to possess the capacity to deliver. He makes commitments, comes back and meets with his officials but does not seem to know how to deliver the goods. This is something which bothers the Indian people of Manitoba and the Indian people across this country. I know, because it is brought to my attention quite often.

When I spoke to the Indian leaders today they indicated to me a whole list of priorities which remain unmet. I only have time to mention a few. For example, there are 61 Indian reserves in Manitoba which have been promised 20 new schools between now and 1990. The other 41 reserves will have to wait for the promise of a school until after 1990.

The same situation prevails with regard to child welfare. The province has the jurisdictional responsibility but will only act in life and death situations. The federal government, through the Department of Indian Affairs, does not have any services to provide for child welfare. Indian people have been developing proposals to present so that they can deliver these services themselves, but there has not been sufficient response from the government.

● (2245)

It goes on, into water rights, migratory birds and economic development. For example, I know that the department recently made a proposal to give billions of dollars for economic development on Indian reserves. It was turned down. Then it went scrambling for a shopping list of projects for Manitoba that could come within the limited budget being offered by cabinet. Of course, the shopping list was developed without the involvement of the Indian leadership in Manitoba. This is another example of how needs are not being met. They cannot be met unless the people concerned are involved.

I am rushing along, Mr. Speaker, because of the shortage of time but I want to say that a big, splash announcement was made recently in Winnipeg about an increase of 33 per cent for band core funding across the country. That amounted to $3.8 million and is the only increase since 1972. When inflation is taken into account it is in a fact a decrease. This is another example of funds not meeting the needs.

The Winnipeg Indian council has as its priority the core funding for its organization. I understand that the minister has promised action on this and we are giving him until July 14 to deliver on that promise. I hope in this instance he can demonstrate the capacity to deliver the goods once he has made a commitment.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I appreciate the concern of the hon. member on this question. It has tremendous ramifications and covers a broad spectrum of the concerns of native peoples.

While the government recognizes its responsibility to Indian people and its commitment to provide financial support in response to their needs, it must also recognize that this must be done within the confines of available resources.

The House should recognize the Department of Indian Affairs and Northern Development's strong commitment to looking for new ways to deal with increased budgetary restraints and higher costs of providing this support. The department is coming up with solutions to problems identified at the band level, such as the housing subsidy which the department was responsible for increasing last year.

Although the government recognizes its responsibility for Indian residents in Canada, those Indian people living off the reserve must also be recognized as citizens of the provinces in which they are residing. Therefore, the federal government is continuing to attempt to work out solutions with the provincial governments whereby they recognize their responsibility as well for these Canadian residents. Jurisdiction for status Indians, in particular, living off the reserve is a question which will take much negotiation and time on both sides to work out.

With particular reference to the Manitoba situation and the request made by the chiefs for the resignation of our senior managers there, I wish to reiterate that we have every confidence in those members of the departmental staff of Indian Affairs and Northern Development. Public servants must take critical decisions every day, and will continue to be subject to this kind of publicity in light of those decisions.

Consultation with the bands continues, and I am fully confident that the proper consultation processes are being implemented. Other groups are welcome to participate in these discussions and their concerns may be addressed in that forum, if they wish to make those concerns known to our regional management team for their consideration.

The hon. member mentioned that the recent 33 per cent increase in funding for Indian bands to cover the expenses of chief and counsellor was another example of the department's failure to keep its commitment. I would say that the $3,800,-000 goes a lot further in keeping a commitment than was the case before the money was granted. I think the department, and the minister in particular, is making a very honest attempt to meet the concerns of the hon. member and native problems, and he will continue to do so.

[*Translation*]

Mr. Deputy Speaker: Order. A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until Thursday at 2 p.m.

The House adjourned, without question put, at 10:49 p.m., pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 2, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

USE OF POSTAL FRANK BY MR. TESSIER—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise in regard to the apparent flagrant misuse of parliamentary members' franking privileges by the Parliamentary Secretary to the Minister of National Revenue, namely, the hon. member for Mégantic-Compton-Stanstead (Mr. Tessier) in regard to a letter, a copy of which I have here, sent out by Jomac Canada Incorporated of Beebe, Quebec, in which that company has used the parliamentary frank of the member for Mégantic-Compton-Stanstead for purposes of advocating its opinions on problems facing the Canadian glove industry, such letters as this one being mailed free of charge by use of the frank through the House of Commons post office. I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That a complete investigation be made of the abuse of parliamentary free mailing privileges through the House of Commons post office by Jomac Canada Incorporated of Beebe, Quebec, and specifically by the hon. member for Mégantic-Compton-Stanstead, Parliamentary Secretary to the Minister of National Revenue, and that such investigation be made by the Speaker and by the Management and Members' Services Committee of the House of Commons with a view to taking whatever action is deemed necessary.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

REFUSAL OF NEW DEMOCRATIC PARTY TO ALLOW ACCESS TO CBC REPORTERS—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of press reports this morning indicating that CBC reporters have been refused admission to the New Democratic Party national policy convention being held in Vancouver; and while recognizing the rights of individual members of the NDP to refuse to talk to CBC reporters, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House affirms the democratic principle of freedom of the press, denounces any interference with such a basic freedom, and expresses the hope that the New Democratic Party will reconsider its decision and permit access by CBC reporters to its convention in order that this basic freedom so vital to the survival of a democratic society will continue uninhibited.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TERRY FOX MARATHON OF HOPE

POSTAL STRIKE EFFECT ON DONATIONS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter that is not partisan but is of urgent and pressing necessity.

Canadians are today paying their final respects to Terry Fox, an exceptional young man whose courage and determination inspired the nation. At this time many people are proud to honour his memory by pledging donations to the Terry Fox Marathon of Hope. In view of the current postal strike, I move, seconded by the hon. member for Perth (Mr. Jarvis):

That the government do everything possible to make arrangements with the chartered banks and trust companies for the receipt and disbursement of donations made to the Marathon of Hope in memory of Terry Fox.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

ACTION NECESSARY TO SETTLE LABOUR DISPUTE—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, seconded by the hon. member for Brant (Mr. Blackburn), I move:

That this House calls on the Secretary of State and Minister of Communications to recognize that the people of Canada do not want the CBC to be destroyed by a long and unnecessary strike, that they want the early return of

normal radio and television programming, and therefore the minister is urged to advise the CBC that NABET's position, in the view of this House, is a reasonable one and that a settlement of the current dispute should be achieved without further delay, certainly in advance of the convening of the Ottawa Summit Conference.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

SMALL BUSINESS DEVELOPMENT BOND PROGRAM—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise under the provisions of Standing Order 43 on an urgent matter. The Minister of Agriculture (Mr. Whelan) has shown us that he still has some concern when he announced the inclusion of unincorporated small businesses and farms for small business development bond qualification. However, the Minister of Finance (Mr. MacEachen) says "No, they must incorporate first." The Minister of Finance is again showing us his great grasp of understanding for small business and agriculture, some of which we obviously gained by not attending the O.F.A. meeting in Toronto. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

● (1410)

That the Minister of State for Small Businesses and Tourism and the Minister of Agriculture take the Minister of Finance away for a weekend of fishing and clue him in to the problems facing small business and agriculture in order to gain acceptance for the announcement of the Minister of Agriculture.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REUNIFICATION OF KOREA—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the President of the Republic of Korea, His Excellency Chun Doo Hwan, has requested a meeting with the President of the Democratic People's Republic of Korea, President Kim Il Sung, in order to initiate dialogue between the two leaders for the reunification of Korea. President Kim has refused all overtures on the part of President Chun. I therefore move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the House supports President Chun in his efforts to negotiate a peaceful reunification of his country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PETRO-CANADA

PRICE OF GASOLINE IN CALGARY—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Last Saturday in Calgary the Petro-Canada service station on the McLeod Trail was advertising regular gasoline for 27.8 cents per litre while the Gulf station on Centre Street was selling the same product for 27.4 cents per litre. The government's window on the oil industry has apparently become muddied because of the arrogance of the Minister of Energy, Mines and Resources (Mr. Lalonde), because the purchase of Petrofina is costing all car owners four cents extra on every litre of gasoline they buy, etc. I therefore move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the government wash its window by cleaning up its act in western Canada prior to taking full operational responsibility for Petrofina in eastern Canada and thus set an example for the industry and give all Canadian consumers the best and lowest possible price.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

PROTECTION FOR PURCHASERS OF 1977 MODEL YEAR OLDSMOBILE AUTOMOBILES—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Consumer and Corporate Affairs review the recent court decision in the United States involving General Motors and 14,000 purchasers of 1977 Oldsmobiles equipped with Chevrolet engines to determine why Canadian owners received only $200 from General Motors while U.S. owners received $550, and take whatever action is necessary to give protection to Canadian consumers similar to the protection being received by U.S. consumers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

POSTAL STRIKE—POSITION OF UNION MEMBERS REMAINING ON JOB—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of some urgency under the provisions of Standing Order 43. It is my understanding that during this postal strike, as in those previous, there is a number of members of the Canadian Union of Postal Workers across the country who have remained on the job, particularly in rural areas. Those who chose this course of action in the past were disciplined, lost their union privileges, and were denied a vote on whether to strike this time. With all due respect to the union, I move, seconded by the hon. member for Leeds-Grenville (Mr. Cossitt):

That the Postmaster General use his good office to ensure that those members of CUPW who have chosen to remain on the job will not be discriminated against by senior officials of that union.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR INTRODUCTION OF BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Mr. John Gamble (York North): Madam Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Given the refusal of CUPW to negotiate its current dispute with the Treasury Board and the irreparable harm done throughout Canada by the withdrawal of the services of inside postal workers, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House directs the government to prepare and introduce legislation forthwith obliging striking postal employees to return to work immediately pending the settlement of outstanding labour disputes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EXPLANATIONS FOR BANK RATE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Prime Minister, and it centres on the bank rate today which has been announced as being relatively static compared with last week, which means that Canada has the highest bank rate of any of the seven large industrial nations which will be meeting in Ottawa later this month. Would the Prime Minister indicate how he intends to explain to the other six leaders at the conference why Canada should have the highest interest rate structure in the free western world at a time when many of those leaders have indicated they would like to see a lower interest rate structure rather than the consistently high rate such as that in which Canada has been the leader?

● (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member is concerned about explanations given to himself, I would point out the Minister of Finance has given them several times. However, he phrases his question in terms of how I would explain this to the other leaders. I can assure him they understand this. They themselves are complaining about the effects on their economies of the very high interest rates in the United States.

Mr. Stevens: But you are higher.

Mr. Trudeau: They understand, apparently better than the hon. member does, that in Canada, being in such close proximity and so interlinked to the United States, our money markets are much more influenced than others not so closely interlinked. They understand this perfectly well. I think the hon. member should read what is being said and the opinions being voiced in those countries and he will know I will not have to explain that. He should have somebody explain that to him, perhaps a professor of economics in A-1.

Mr. Stevens: Madam Speaker, obviously the Prime Minister has lost touch with what is happening in North America. His interest rates are substantially above those in the United States. If he wants to follow the American rates, why did he not follow them down?

PRESSURE ON CANADIAN DOLLAR

Hon. Sinclair Stevens (York-Peel): My supplementary is for the Minister of Finance. As it is generally accepted among economists that the dollar is the key reason why the minister has been maintaining such a high interest rate structure, we note that only last week it was announced that the line of credit the government arranged to sustain the dollar has been increased from $2.5 billion to $3.5 billion. Would the Minister of Finance indicate if that extra billion is in anticipation of continuing pressure on the dollar over the coming months and years, and, if so, would he confirm that will mean not only will we have a dollar under pressure but that the high interest rate structure we now have will likely have to be maintained if some basic changes are not made?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the answer is clearly no, that is not the intention of increasing the stand-by credit. The credit has been in existence for some considerable time. It

was increased in the normal way and does not reflect an expectation that there will be any particular pressure on the Canadian dollar.

The Canadian dollar in recent days and weeks has been above 83 cents. Some people in the country are urging that it be permitted to decline below 83 cents. Because of the state of the Canadian dollar at well above 83 cents, I can assure the hon. member any fears he may have in his mind should be removed.

BANKRUPTCY AND FORECLOSURE STATISTICS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again I direct a question to the Minister of Finance. Bearing in mind we now have a rising personal and corporate bankruptcy rate, and a rising number of foreclosures, would the minister indicate whether he is aware of the fact that he has now allowed real interest rates in this country to be at the highest level since the beginning of the great depression, a real rate of over 5 per cent after inflation is eliminated, compared to the 1979 period when the real rate was 1.2 per cent during the Clark government? If he is aware of that real rate being charged to Canadian consumers, farmers and businessmen, would he indicate when he is going to start showing a little compassion in what he is doing to the average Canadian with his ridiculous policy?

Some hon. Members: Hear, hear!

● (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have a number of points to make. It would be impossible to deal with all the preamble the hon. member has put into his question because of time limitation, but he talked about rising personal bankruptcies and rising foreclosures. It so happens that last Thursday, I believe it was, I had a meeting with representatives of the mortgage companies in which we explored the mortgage situation, the interest rate situation and the rate of foreclosures. They informed me, based on the statistics they had before them, that the rate of foreclosures on home mortgages this year was lower than last year. So much for rising foreclosures!

Mr. Stevens: How about powers of sale?

Mr. MacEachen: When the hon. member talks about real interest rates and relates his question to the former question about Europe, does he know, for example, that the real interest rate in Germany at the present time is the highest ever experienced by that economy? He ought to put that in his pipe.

Mr. Stevens: I know ours is the highest. Do you agree?

Mr. MacEachen: I do not agree with anything the hon. member puts forward unless I have examined it with binoculars and microscopes, because most of the time it is inaccurate.

Mr. Stevens: The minister knows more about Germany than Canada.

Mr. MacEachen: The hon. member forgets that a very substantial part of the pressure on interest rates in Canada arises from the strength of the Canadian economy. The great demand for bank loans is still a very substantial pressure on interest rates. If the hon. member wants interest rates to go down a bit, he will ask inflation to come down; that is what will bring it about.

Some hon. Members: Hear, hear!

* * *

HOUSING

RENEWAL OF ASSISTED HOME OWNERSHIP PROGRAM MORTGAGES

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question. Approximately a year ago the minister said, as reported at page 2176 of *Hansard*, that the government "would not attempt to solve the economic problems of the country or the fiscal requirements of the government on the backs of the low-income people of this country".

My question concerns the 41,000 Canadians who are by the government's own definition low-income Canadians. They are owners of homes under the Assisted Home Ownership Program. Their mortgages are now up for renewal. The five-year roll-over is due now. Their mortgages were taken out at anywhere from 6 per cent to 8 per cent, and they will be renewed at anywhere from 18 per cent to 19 per cent. In my opinion this represents a tragedy of national dimensions because of the shattered dreams and hopes of people who have to walk away from their homes and write off their investment. The minister has some control over this situation. What action does he propose to take to assist these 41,000 Canadians who must renew mortgages at usurious rates and run the risk of losing their homes and investment?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in response to the question, the hon. member is about 12 months behind the times. It was at this time last year that the government moved in response to those people who would experience the problems he has indicated. We said to those people who would have to pay a disproportionate amount of their incomes to meet new interest rates, or whatever new charges, those people who would have to pay more than 30 per cent of their income toward shelter costs, that we would continue the subsidies. That program was reintroduced this year for a further 12 months. We have responded to the people who are most in need. We have shown a response to those people. We have used an equitable standard to address that problem.

GOVERNMENT ACTION TO ASSIST AHOP HOME OWNERS

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister is the one who is a year behind because there are 500,000 mortgages up for renewal this year. Included in that 500,000 are these 41,000 AHOP mortgages. I doubt there is a member in the House who has not had the experience of an AHOP owner who cannot afford to meet the new mortgage payments.

Because the minister can control the situation, does he intend to take any action whatsoever to change the financing arrangements for these AHOP owners so that they can continue to occupy and to own their homes, rather than walk away from them and hand the keys over to the minister? He knows what is happening, and he can do something about it.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I indicated that last year the government, in response to the first year of that program, moved to assist those people whose mortgages were rolling over after the end of the first five-year period by using the 30 per cent rule, which I think everyone in the industry accepts as an equitable standard for payment toward shelter needs. After we introduced that, there were relatively few people with the roll-over problem who took advantage of that 30 per cent rule. Further, the number of people in difficulty under that program has reduced this year compared to last year. With respect, Madam Speaker, the hon. gentleman is really 12 months behind the times.

● (1425)

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POST OFFICE

POSTAL STRIKE—NECESSITY FOR NEGOTIATIONS

Madam Speaker: The hon. member for Hamilton Mountain.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, with that kind of an ovation I should be asking the Prime Minister a question. However, my question is for the President of the Treasury Board. Given that anyone who understands collective bargaining realizes that a settlement cannot be achieved unless you are at the negotiating table; and given that the open-line radio programs have already started their poison, as they do every time there is a dispute in the public service, undermining the credibility of the entire operation, what is it that the government requires? What conditions has the government set for a return to the negotiating table forthwith?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am very pleased the hon. member has raised that question. The negotiating table is there and we are prepared to sit down this afternoon. I wish the hon. member would encourage the postal union to behave the same way. We have been trying to get the postal union to the negotiating table since last Friday. We stipulated no conditional precedents to negotiations.

ITEMS CONTAINED IN JASMIN REPORT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, can the minister then explain to me what it is that is contained in the Jasmin report which the government does not feel it could implement immediately?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have answered that question in this House concerning the Jasmin report with respect to the government's position on a variety of issues which have been raised in the report. I have also indicated our willingness to discuss certain areas of that report. I would very much appreciate it if the hon. gentleman would encourage his friends in CUPW to return to the negotiating table so that we can explore fully their respective demands and our own.

GOVERNMENT POSITION ON JASMIN REPORT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, am I then to understand that every matter contained in the Jasmin report would be acceptable to the government under certain conditions? If that is the case can I then assume that all of the matters that were on the bargaining table prior to the breakdown in negotiations are subject to further negotiation, and that the government is prepared to sit down this afternoon in an attempt to find a resolution to this dispute?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have indicated in the past that the government cannot return to the bargaining table under an ultimatum that it will only return if it accepts everything in the Jasmin report. That has been made clear on numerous occasions. It is not the responsibility of members of this House to negotiate a collective agreement here on the floor of this House. I have also made that point, Madam Speaker. However, I would encourage the hon. member to use his good offices and get CUPW back to the negotiating table this afternoon.

GOVERNMENT PLANS TO RESOLVE DISPUTE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is for the President of the Treasury Board. Reviewing reports in the press today, the postal workers have regrettably not accepted the call for mediation nor the appointment of a mediator. The proposal is unacceptable to them and the two sides remain deadlocked. There appears, at least on the face of things, that there will not be an early end to this dispute. I ask the minister what plans does the government have to bring this matter to a head so that there can be a return to normal postal service in Canada?

• (1430)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the employees, members of CUPW, are exercising their legal right to strike. I hope this matter will be brought to an end at the negotiation table. That is the natural process. That is the process contemplated by the law. They have the right to strike, and they are exercising it.

POSSIBLE INTRODUCTION OF BACK TO WORK LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Another question follows from that answer, Madam Speaker. Is it the policy of this government that it is going to wait for a settlement at the bargaining table, or is it the intention of the government to introduce legislation? If so, how long would one have to wait for that legislation? I ask that question as the minister knows and as I know that Parliament will be adjourning by July 10. I think it is a fair question to put to the President of the Treasury Board now, and I would appreciate an answer with respect to the timing of the government's consideration.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I would like to say on behalf of the government that there is not an intention to introduce back to work legislation at this time.

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FINANCE

CONTRIBUTIONS TO CANADIAN CANCER SOCIETY—POSSIBLE MEANS OF OFFSETTING EFFECTS OF POSTAL STRIKE

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of Finance. The minister will be well aware, as we all are, of the millions of Canadians who have paid and wish to pay further tribute to the memory of Terry Fox. Many of these, as the minister will know, wish to express their very deep feeling by way of contributions to the Canadian Cancer Society. Tragically and unhappily the Canadian postal service situation has deterred many of these Canadians from expressing their feelings in terms of contributions to the society.

I wonder if the minister would consider asking the Canadian chartered banks and other federally incorporated lending institutions to accept donations on behalf of the society, and to permit them to issue temporary receipts until the postal situation permits the Canadian Cancer Society to issue the regular tax receipts.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has made a very worth-while suggestion. I will be happy to follow it up to see whether his objective can be realized, or maybe it has already been realized.

Mr. Jarvis: I thank the hon. minister, because steps have been taken in that direction; but I think it needs a push from the minister to satisfy the requirements of the society.

USE OF GOVERNMENT ADVERTISING FUNDS TO PROMOTE TERRY FOX CANCER FIGHTING CAMPAIGN

Hon. Bill Jarvis (Perth): My supplementary question is directed to the Minister of State for Multiculturalism, who is responsible for government advertising. He will be aware that several millions of dollars were allocated for a government advertising program for the Constitution, which program now, for obvious reasons, has been postponed. Will the minister consider using a very small portion of these allocated funds to inform Canadians that they may make their contributions to honour Terry Fox to Canadian financial institutions? I hope the minister would agree that he would be hard-pressed to find a more worth-while advertising program for the government and, frankly, hard-pressed to find one which is more in the interests of national unity.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I would be delighted to bring that request to the attention of the Minister of Justice. As the minister responsible for advertising I do not have any direct control over expenditures by particular departments. That is determined by individual ministers in conjunction with ongoing Treasury Board rules. I just have my own budget in multiculturalism, for instance. However, I will bring that to the attention of the Minister of Justice.

* * *

ENERGY

NEGOTIATION OF PRICING AGREEMENT WITH PROVINCE OF ALBERTA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday we had Canada's birthday, and the only present Canadians received was another increase—

Some hon. Members: Dominion!

Mr. Wilson: —another increase in the price of oil by a dollar a barrel. Negotiations which have been going on for some 16 months now, between the Minister and the minister of energy in Alberta appeared to reach a more negative conclusion on Monday than had been the case with the previous meeting. Therefore I say that the minister's well known negotiating talents have again met failure in these negotiations with Alberta.

Since so much is hanging in the balance through not achieving a resolution of this deadlock, can the minister tell the House when he expects there will be some resolution achieved in the negotiations? To put it simply, has he set himself a deadline by which time he must reach an agreement with the province of Alberta?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am happy that the hon. member has associated himself with the other Canadians who celebrated Canada Day yesterday.

Some hon. Members: Hear, hear!

Mr. Lalonde: As far as the increase of $1 per barrel of oil is concerned, he knows this increase, of course, was announced in the budget last year. It will be effective at the pump in early September. It is the amount of $1 which the opposition has found inadequate and has been asking us to put at a higher level.

The negotiations are taking place. I met with my colleague last week. We have not set each other a deadline, but we are working and striving to reach an agreement soon, but how soon I cannot tell the hon. member.

Miss MacDonald: Sixteen months.

REQUEST FOR ASSURANCE THAT AGREEMENT WILL BE REACHED

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, what we on this side of the House have been pressing the government for is some resolution in the deadlock which is causing so many things to be stalled in this country, such as the megaprojects. We have seen huge increases in the cost of imported oil in this country. Something must be done to solve this matter. It is the minister's failure to negotiate which has caused this deadlock for 16 months.

Some hon. Members: Oh, oh!

Mr. Wilson: Last week when a group of the Conservative members were in Alberta discussing the problems that this deadlock has caused, we were told by members of the oil service and oil drilling industry that a full 40 per cent of the drilling rigs in this country will have left by the end of the summer if no progress is shown in the negotiations over and above what has happened to date. Is the minister in any position today to give this industry, or the sponsors of the megaprojects, any assurances that progress will be made to reach an agreement by the end of this summer so that the rigs will not leave the country and so that we will get the megaprojects on track, and will solve the self-sufficiency problem in this country which will be such an important problem as we move into the eighties?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, may I suggest to the opposition that they come clean with their statement when they say they favour a resolution? They should add that they know one of the problems in achieving a resolution of this issue is that the government of Alberta wants a higher price. The opposition should come out, quite clearly, and say that they want higher prices, and not just express the pious hope that they want a resolution.

As far as the issue raised by the hon. member is concerned, Mr. Leitch and I are working at arriving at a resolution of the present difficulties. We have made progress in our first meeting, we have made progress in our second meeting, and in our third meeting, too, which was the meeting last week. There are still very difficult issues to resolve. I cannot give any particular timetable to my hon. friend, but it is interesting to note that the people behind the megaprojects seem to have shown more optimism than he has shown with regard to the resolution of the current dispute.

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CANADIAN BROADCASTING CORPORATION

ACTION NECESSARY TO SETTLE LABOUR DISPUTE

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is directed to the Secretary of State and Minister of Communications. In view of the fact that the people of Canada feel that the CBC belongs to them, in view of the fact that if the CBC is damaged or destroyed by long and unnecessary strike it is the people of Canada who will be the losers, and in view of NABET's reasonable position on jurisdiction, will the minister not meet again with the CBC and urge CBC management to settle this dispute without further delay?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I had the opportunity of meeting with CBC management following the meeting with NABET last Friday. Since that time my colleague, the Minister of Labour, has appointed two mediators to meet with the parties. Having met with both parties, I believe that the issues at stake are, indeed, issues which must be settled at the negotiating table.

• (1440)

TELEVISION COVERAGE OF SUMMIT CONFERENCE

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I have a supplementary question. May I urge that the broadcasting to the world of the Ottawa Summit conference be included in these discussions? In view of the fact that CTV has bowed out, so that the job has been tossed back to the CBC, will that be used as a particular lever for getting a settlement before that conference convenes?

Mr. Nielsen: And what about the NDP convention?

Mr. Knowles: We refuse to cross NABET's picketline.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, it is in the interests of the country as a whole to see the broadcasting of the Summit take place. The CBC has endeavoured to obtain assurances from NABET that the televising could take place. I know that members of NABET are most interested in participating in this very important event. In hope that negotiations can proceed and that the mediators will be successful in bringing the

parties together and ironing out a settlement which is acceptable to both sides.

* * *

IMMIGRATION

ACTION TO ASSIST EASTERN EUROPEAN REFUGEES

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, today and for the past few days we have been honoured in Canada with the presence of the United Nations High Commissioner for Refugees, Mr. Hartling, a former Prime Minister of Denmark.

I should like to put my question to the Minister of Employment and Immigration. Last night again both national networks highlighted the problems being faced by people leaving Poland because they are concerned about what is happening there, or what might very well happen there. Is the minister in a position to tell us what action might be taken by his department to help people in this particular area to be classed as designated people, given the fact that our quota in that area has almost run out?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member knows, when he raised a similar question last week the Deputy Prime Minister indicated that additional resources would be established in Austria to deal with the substantially increased flow of refugees coming out of eastern European countries. At the present moment we are also looking at the possibility of raising the level of intake to this country by drawing upon our contingency reserves established under the immigration blueprint of last fall. I hope to meet with Mr. Hartling this afternoon to determine a better assessment from him of the exact nature of conditions. After making that assessment we will make an announcement to the House about whether we will increase the level or not.

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POST OFFICE

REPRESENTATIONS TO EXCLUDE RIGHT TO STRIKE PROVISION

Mr. John Gamble (York North): Madam Speaker, my question is for the Postmaster General who will recall that at the time of the committee's consideration of the Provisions of the Canada Post Corporation Act he expressed the great expectation that, with the passage of the act, there would be a greater chance for labour peace in the postal service in Canada. Royal assent was given to the act on April 23 and now, a little over two months later, we have our first strike.

Will the Postmaster General now recognize that some of the representations made to him at committee with respect to the inclusion in that act of provisions that would preclude the right to strike in the postal service have considerable merit and should be considered?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I should like to correct the words of the hon. member. The act has not yet been proclaimed. It is true that the act was passed by Parliament but it is not yet proclaimed and therefore the corporation has not yet been established. It is too early to see how the union will behave under a Crown corporation because it is not yet under a Crown corporation. It is hoped that will come soon and that labour relations will then be better.

As to the question of whether the union should have the right to strike, I would remind the hon. member, as I did at the time, that there are more illegal strikes in Canada than legal strikes. Just to take away the right to strike of employees does not necessarily avoid strikes. Those who believe very strongly in certain points will not hesitate to use the means at their disposal to register their point, and that could probably be by illegal strikes.

POSSIBLE DURATION OF STRIKE

Mr. John Gamble (York North): Madam Speaker, I am aware that the act has not been proclaimed. I indicated that it had received Royal Assent on April 23. In any event, what the Postmaster General has indicated is that he has no general faith in a provision in the act itself precluding the right to strike. His colleague, the President of the Treasury Board, has indicated that the government has no intention now of introducing special legislation which would oblige members of the postal service to return to work. How long is the country to wait for the necessary service provided by the Post Office, before the government takes it upon itself to discharge its responsibility to Canada?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): As long as the two parties take to reach a settlement, Madam Speaker.

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NATIONAL DEFENCE

EXCHANGE OF MILITARY INFORMATION WITH FRENCH GOVERNMENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. France now has four cabinet ministers from the communist party. Presumably the French minister of defence will feel obliged to confide in his cabinet colleagues. Could the minister tell us what policy the Canadian government is following concerning exchanges of military information with the French government?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I understand that the matter of secret information or information regarding NATO will be discussed at the next meeting of NATO ministers, in order to determine how to deal with that problem. Nevertheless, the recent state-

ments made by the French minister of defence concerning NATO were reassuring, in my view. Indeed he publicly stated he was one hundred per cent behind NATO and would co-operate in the best possible way.

[*English*]

PARTICIPATION OF FRENCH PARLIAMENTARIANS IN TOUR OF DEFENCE INSTALLATIONS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I am rather curious. In all these statements the minister has not said whether France is considering coming back to a full role in NATO which it left some 16 years ago. There is a North Atlantic Assembly Parliamentarians Association group coming to Canada to tour our defence installations in August. Could the minister tell the House if the Government of Canada is ready to welcome communist members of the French National Assembly on this tour through our defence installations in August?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, Canada being an eminently free society open to all ideas, I believe that the French delegates will be welcome as all other democratically elected ministers or members of parliament in that country. It is not up to us to tell the French whom they should be sending to represent NATO. I think their judgment should be trusted.

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[*English*]

AVIATION SAFETY

CURTAILMENT OF AIR TRAFFIC CONTROL SERVICES AT CALGARY INTERNATIONAL AIRPORT

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Transport which arises out of the serious cutbacks in air traffic control services at the Calgary International Airport, scheduled to go into effect on July 4. After that time air traffic control services between the hours of midnight and 6 a.m. will not be in effect. This will seriously curtail the movement of traffic, will impair safety, and could very well violate the ICAO standards.

In view of the fact that there appears to be a manpower shortage, would the minister be prepared to defer such curtailment of services until he has had a chance to discuss fully all the implications with the Calgary Transportation Authority and perhaps seek a solution in a consultative way?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend's information is quite exact, so I will not repeat it. The inconvenience may not be as great as he seems to imply. I understand that there are only two or three movements per hour during the night.

On the subject of consultation, particularly with the Calgary Transportation Authority, I am informed that extensive consultations have taken place in the past. There has already been a delay in the implementation of these restrictions. My department feels that if we go on as we have been going, then we might cause a danger which would be greater than the one that could be caused by the restrictive measures taken now. In other words the controllers might have to work extra hours under stress and then danger might be greater. The general problem of training controllers is one with which my hon. friend is familiar. I can only say that progress is being made.

SHORTAGE OF AIR TRAFFIC CONTROLLERS

Hon. Don Mazankowski (Vegreville): Madam Speaker, on checking, the minister might realize that close to 20 traffic movements take place on a daily basis during that period, and that is only commercial flights. The minister has failed to address the real critical problem of the chronic shortage of air traffic controllers. There is a severe and critical shortage in Toronto, there is a severe and critical shortage in Vancouver, and as a matter of fact controllers are working far beyond what is considered normal overtime. There is now this critical shortage in Calgary. Surely it is the obligation and responsibility of the government to see to it that adequate human and financial resources are provided to ensure that the air traffic control system remains intact. What specific action is the minister taking now, as a result of this serious problem which is cropping up all over, to bring on more air traffic controllers so that we can ensure that air traffic control systems will be safe and effective?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I could not agree more with the description given. I am sure when my hon. friend was minister of transport that he worked quite hard on the matter. In any event, the present training system produces 50 to 60 controllers per year. A number of changes have been made which would be too long to describe in detail. It is expected that, beginning in September, the training system will produce between 120 and 150 a year, which will be a substantial improvement over the present situation.

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● (1450)

COAST GUARD

FACILITIES SERVING NORTH SHORE OF LAKE ERIE

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is directed to the Minister of Transport. The minister should be aware that the Canadian Coast Guard apparently is planning to convert the manned Port Burwell radio station on the north shore of Lake Erie to an unmanned repeater station connected to Sarnia. I am sure he is also aware of the tremendous increase of surface travel in that area of the lake, with commercial fishermen, sport fishermen, pleasure craft, lake drilling rigs and support vessels, as well as shipping in and out of the new Stelco complex and Ontario Hydro at Nanticoke. Will the minister ensure the safety of the

sea on the north shore of Lake Erie and instruct his department to scrub any such plans of consolidation of Coast Guard radio station services in the Port Burwell area?

Hon. Jean-Luc Pepin (Minister of Transport): As you know, Madam Speaker, I do not lie easily. No, indeed, I am not aware. I will get on to it immediately. I assure my hon. friend that his objective will be met.

REQUEST FOR HOLDING OF PUBLIC HEARING

Mr. Bud Bradley (Haldimand-Norfolk): While I have the minister in an agreeable mood I want to point out to him that the loss of safety features to boaters in the area will definitely be greater than any economic savings. Although I am not against economic cuts I would sooner see them in other places than where lives are at stake. Will the minister consider holding a hearing in the Port Burwell-Port Dover area with the concerned fishermen and boaters before any further action is taken on the site?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was afraid the hon. member was also going to be extremely truthful and suggest that he does not mind cuts as long as they take place in constituencies other than his own, which would have been the moment of truth in the House this afternoon. I will pursue the matter as the hon. member has requested.

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ENVIRONMENTAL AFFAIRS

CONSTRUCTION OF THERMO GENERATING STATION AT HAT CREEK, B.C.—QUERY RESPECTING ACID RAIN POLLUTION

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of the Environment. In view of the plans to build a huge thermogenerating station in Hat Creek, British Columbia, which will result in a tremendous increase in acid precipitation, will the minister promise this House that he will make sure that B.C. Hydro guarantees to the federal government that there will be no acid rain precipitation as a result of that very huge megawatt thermogenerating project?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I cannot give the member such a guarantee because basically the decision is in the hands of the British Columbia government. The federal government recently issued guidelines in relation to emissions from such plants as Hat Creek. It is my very earnest hope that the British Columbia government will make sure that the proposal does fall within those acceptable guidelines.

CORPORATE AFFAIRS

DECISION WITH RESPECT TO LAYING OF CHARGES IN CONNECTION WITH MARKETING OF URANIUM

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Justice. It has to do with the uranium cartel and the report that is in the minister's possession from the combines investigation branch, and the independent legal opinion which the government sought because it was afraid that since it was the government itself that was being investigated there might be a conflict of interest in relying simply upon the government. The Minister of Justice has had these reports for some time. Can he tell us when he expects a decision will be taken as to whether charges will be laid? More particularly, will he tell us whether that decision will be announced before the House recesses, or does the government intend to wait until Parliament is gone before it announces its decision on charges that might arise in relation to the uranium cartel?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have not finished the work on that. I have some outside lawyers looking into the file. I will wait for their report and then make my decision. If I receive the report quickly and the House is in session, I will be delighted to make the announcement. However, I do not have all the facts in my possession at this time and therefore cannot state when I will be able to make a decision.

SOURCE OF LEGAL ADVICE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, there has already been one group of outside lawyers brought into this matter. The minister has a report from one group of outside lawyers. He has a report from the director of combines which he has so far refused to make public. Is the minister telling us that the government is now consulting a second group of outside lawyers on the question as to whether charges will be laid, perhaps against ministers of the government or a number of people associated with the government? Is this a new group of lawyers? If so, why is the government following this extraordinary procedure in the uranium cartel case, or is there some other reason for delay?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we are indeed consulting the same lawyers retained by Mr. Bertrand and have not yet received their report, which we will have to consider if legal proceedings are to be taken.

[*English*]

FITNESS AND AMATEUR SPORT

GRANT TO CANADIAN OLYMPIC ASSOCIATION

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the Minister of Labour in charge of fitness and amateur sport. Two or three weeks ago the minister approved $1.2 million for the Canadian Olympic Association, the COA. Will the minister please advise the House exactly what the Canadian Olympic Association is going to do with that money?

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I would be happy to take notice of the question and get a detailed indication from the Canadian Olympic Association of any plans that they have. The $1.2 million was calculated to compensate the COA for funds they lost as a consequence of the boycott of the 1980 Olympics in Moscow. As we calculate, it puts them in the position they would have been in had they been allowed or had they chosen to participate in the Moscow Olympics.

ASSOCIATION'S PROGRAMS AND LOCATION OF OFFICE

Hon. Steven E. Paproski (Edmonton North): The COA was to have two or three different programs. One was the Young Olympians and the other was the Junior Olympics. They have not done this in the last two or three years. Will the minister see that they carry out their jurisdiction over these two programs which are very important as far as preparing for the next Olympic Games? If they really want to take an active part in Canada, if they would move their office from Montreal to Ottawa they might be able to know what is going on in the world of sports.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, the hon. member is certainly open to make representations to the COA as to where he feels they should have their office. I do not think it is appropriate for government to interfere with the autonomy of amateur sport by attempting to dictate to them.

Mr. Paproski: You are doing that when you give them $1.2 million.

Mr. Regan: I recognize that the hon. member has never been as enthusiastic a supporter of the COA as myself. I will be happy to make inquiries along the line he has indicated to see what information I can obtain for him with reference to their plans for the programs that he mentioned.

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ENVIRONMENTAL AFFAIRS

RESPONSIBILITY FOR TRANS-BOUNDARY AIR POLLUTION

Mr. Derek Blackburn (Brant): Madam Speaker, I have a short supplementary for the Minister of the Environment. In his answer to me he brought to light the most important aspect of controlling acid rain in Canada. The federal government presently does not have jurisdiction over transboundary air pollution. When can we expect legislation in this House which will give jurisdictional control over transboundary air pollution to the federal government? At the present time under provincial control it is totally inadequate.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I welcome the hon. member's representation. I hope he is speaking as the spokesman of his party in expressing that view. I will take very seriously the recommendations he has made.

* * *

VACANCY

Madam Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation:

of Peter Allan Stollery, Esquire, member for the electoral district of Spadina, by reason of summons to the Senate.

Some hon. Members: Hear, hear!

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

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): I apologize, Madam Speaker. The announcement you just made caused me to stand up rather slowly. I will not make any further comment.

● (1500)

I would like to direct a question to the government House leader. Could he inform the House of the business for the balance of today and tomorrow and into next week. I think we would all be interested in knowing what the intention is.

Mr. Pinard: Madam Speaker, today we will be dealing with Bills C-70, C-71 and C-74. Tomorrow we will go on with C-73 and C-72. Those are the bills relating to the estimates and your ruling, Madam Speaker. We have an agreement, as you well know, to have one speaker from each party for all stages with speeches to be limited to 30 minutes. Those five bills should require all the time today and tomorrow.

In so far as Monday is concerned, we will resume debate at the second reading stage of the following bills: C-58, S-6 and C-12.

[*Translation*]

This evening, there will be a memorial service on Parliament Hill at 7.30 for Terry Fox. Under these circumstances, Madam Speaker, I have consulted my colleagues of both opposition parties and we have agreed that there will not be any private members' hour today and that the House will adjourn at seven o'clock this evening. Therefore, I have a motion which will receive unanimous consent and that I shall read in a few moments. But first, regarding the business of the House for next week, apart from the three bills I have just mentioned, namely Bills C-58, S-6 and C-12, which will be considered on Monday, I have submitted a list of bills to my colleagues and we shall be in a position Monday to choose from this list a series of bills with which we can proceed in the next few days and which can probably go through all stages before we adjourn next week or the following week, depending on the circumstances.

[*English*]

Therefore, I move, seconded by the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre:

That the private members' hour this afternoon be suspended; that the House continue to sit today until 7 p.m. on Government Orders, and that it adjourn at 7 p.m. today until 11 tomorrow morning.

Mr. Baker (Nepean-Carleton): I want to thank the hon. gentleman for consulting with respect to this matter. I am very proud to second the motion and my party will be very proud to support it.

Mr. Knowles: Madam Speaker, we too feel that this is an appropriate order and we are very happy to agree to it.

I have a question I should like to put, but perhaps you would like to put that motion first.

Madam Speaker: Does the House then agree to the motion presented by the President of the Privy Council?

Some hon. Members: Agreed.

Madam Speaker: Agreed to and so ordered.

Motion agreed to.

Mr. Knowles: Madam Speaker, last Thursday for the umpteenth time I asked the minister about a bill to correct an oversight in last summer's Bill C-40 having to do with widows of disabled veterans. His answer to me last Thursday was in these very precise words:

—I want to assure him the cabinet is studying the question very seriously and at the end of next week at the latest, I hope to be in a position to give notice of our intention to introduce such a bill in the House before the summer recess.

The deadline he set for himself is either today or tomorrow. Is he now in a position to tell us when a bill to amend Bill C-40 will be introduced?

Mr. Pinard: Madam Speaker, as usual I told the truth to the hon. member. The weekend begins tomorrow at five in so far as the House of Commons is concerned, and I think the hon. member will have good news before five o'clock tomorrow; if not, it might be some time next week.

* * *

VACANCY

ELECTORAL DISTRICT OF JOLIETTE—INQUIRY WHEN BYELECTION WILL BE HELD

Right Hon. Joe Clark (Leader of the Opposition): I rise on a point of order, Madam Speaker. We have just had the announcement of a byelection to fill a seat which has become vacant by the elevation of its incumbent to the Senate.

There was no announcement of a byelection date for the seat of Joliette. Certainly we, on this side of the House, are very anxious to allow the electors of Joliette to be represented in this House as quickly as possible. I wonder if the government House leader could indicate to us why a priority was given to moving forward with the Spadina byelection while the electors of Joliette are left without the opportunity of being represented? Will there be an announcement very soon on a byelection date for the constituency of Joliette?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, no priority has been given to any constituency. All that has been announced by the Speaker of the House is that the seat is now vacant. No election date for the constituency of Spadina has been set as far as I know. I therefore believe that the objection raised by the Leader of the Opposition is unfounded. No date has been set for an election in Spadina, and I wonder how he can say that we would rather have an election in Spadina than in Joliette. No decision has been made and there has been no announcement as to the date of the election in Joliette or Spadina. As for the suggestions made by the right hon. Leader of the Opposition, we shall take note of them and give them all the consideration they deserve.

Mr. Clark: Madam Speaker, I missed part of the statements made by the President of the Privy Council, but I would like to know whether a date can be announced for the byelections in the constituencies of Joliette and Spadina as soon as possible. In the case of Joliette, the people have been without a representative for quite some time. I believe it is essential that elections be called as soon as possible, and I hope that this will be done before the summer recess.

[*English*]

Mr. Pinard: Madam Speaker, if my good friend Roch La Salle had resigned earlier maybe we would have known the date earlier. In any case, as I just told my hon. colleague, we will take his suggestion into very serious consideration. In so far as the dates of the byelections are concerned, the date for Spadina was not announced and therefore Spadina is not privileged as compared with Joliette.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Fourth Report of Standing Committee on Miscellaneous Estimates—Mr. Gauthier.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

MOTION RESPECTING TRAVEL EXPENSES FOR SUB-COMMITTEE ON IMPORT POLICY

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, there have been consultations with all parties in the House and I believe you will find that there is unanimous consent for me to move the following motion without the usual notice:

That the sub-committee on import policy of the Standing Committee on Finance, Trade and Economic Affairs and members of the sub-committee, accompanied by the necessary staff, be empowered to adjourn from place to place or to travel inside and outside Canada during the period when the House stands adjourned, provided that the estimated expenses for such travel and the locations to be visited are defined in advance.

If the House should adopt this motion I would request that the motion standing in my name for concurrence in the tenth report of the Standing Committee on Finance, Trade and Economic Affairs be withdrawn.

Madam Speaker: Does the House agree to waive the usual notice?

Mr. Baker (Nepean-Carleton): There have been consultations and we are in agreement.

Mr. Knowles: Agreed.

Madam Speaker: The House then agrees to the two motions; one to waive notice, the second to allow the committee to travel, and the request to withdraw the motion for concurrence?

Some hon. Members: Agreed.

Motion agreed to.

CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

On the order: Motions:

June 19, 1981—Mr. Cullen (Chairman of the Standing Committee on Finance, Trade and Economic Affairs).

That the Tenth Report of the Standing Committee on Finance, Trade and Economic Affairs, presented to the House on Friday, June 19, 1981, be concurred in.

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I would ask that this notice of motion be withdrawn.

Madam Speaker: Is it agreed?

Some hon. Members: Agreed.

Notice of motion withdrawn.

* * *

PETITIONS

MOTION RESPECTING REFERENCE TO STANDING COMMITTEE OF CERTAIN PETITIONS AND REPORTS OF CLERK OF PETITIONS

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, there have been consultations on all sides of the House and I should like to move the following motion, with the unanimous consent of the House, seconded by the hon. member for Algoma (Mr. Foster):

● (1510)

That, pursuant to the provisions of Standing Order 99, the petitions to revive Ontario News Company Limited, G. A. Barber and Sons Limited and Eastern Diversified Company Ltd., filed after the time limit specified under Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the fifty-fourth, fifty-fifth and fifty-sixth reports of the Clerk of Petitions thereon, presented to the House on Friday, June 26, 1981, for any recommendations the committee deems advisable.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 983, 2,276, 2,357, 2,358, 2,401, 2,437, 2,438, 2,478, 2,483, 2,484, 2,485, 2,493 and 2,595.

[*Text*]

RESEARCH AND DEVELOPMENT EXPENDITURES

Question No. 983—**Mr. MacKay:**

For the fiscal year (a) 1975-76 (b) 1976-77 (c) 1977-78 (d) 1978-79 (e) 1979-80, by province and territory, what were the research and development expenditures (natural sciences) to industry by the (i) Department of Industry, Trade and Commerce (ii) Department of National Defence (iii) Ministry of State for Science and Technology?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce, National Defence and Ministry of State for Science and Technology as follows:

Order Paper Questions

(i) and (ii) See lists below.

(iii) Ministry of State for Science and Technology (MOSST) is a policy ministry without operational responsibilities; consequently, it does not provide support for R & D in natural sciences to industry.

(i)

Department of Industry, Trade and Commerce Payments to Industry for R & D in the Natural Sciences by Province and Territory

Province	Fiscal Year 1975-76	1976-77	1977-78	1978-79	1979-80	Totals
Newfoundland	$ 208,391	$ 234,244	$ 212,653	$	$ 110,178	$ 765,466
New Brunswick	184,760	654,455	108,559	37,364	128,967	1,114,105
Nova Scotia	571,855	415,340	729,971	26,958	265,571	2,009,695
P.E.I.	744	3,770	9,016	104,480	135,917	253,927
Quebec	19,786,999	23,201,509	21,021,900	14,377,275	20,941,897	99,329,580
Ontario	56,911,703	68,187,951	48,082,709	35,345,365	37,382,129	245,909,857
Manitoba	631,935	374,596	303,337	165,683	377,730	1,853,281
Saskatchewan	257,756	265,781	450,163	160,504	297,942	1,432,146
Alberta	6,482,730	8,872,213	3,236,392	583,696	1,519,295	20,694,326
B.C.	5,774,795	6,284,584	4,956,998	1,582,838	3,646,644	22,245,859
Yukon						
Northwest Territories						
Totals	$90,811,668	$108,494,443	$79,111,698	$52,384,163	$64,806,270	$395,608,242

(ii)

DND—Research and Development (Natural Sciences)

($000)

	1975-76		1976-77	1977-78	1978-79	1979-80
	Industrial Contracts	Grants[1]	Industrial Contracts	Industrial Contracts	Industrial Contracts	Industrial Contracts
Newfoundland					7.2	
Nova Scotia	395.3		549.9	340.7	597.9	
New Brunswick				32.9	121.6	
P.E.I.						
Quebec	749.0	540.0	972.7	1,292.1	2,825.0	
Ontario	5,686.4	1,020.9	8,032.6	6,658.5	9,134.8	
Manitoba	1,499.8		679.7	349.4	178.7	
Saskatchewan				18.1		
Alberta	218.9	10.4	469.7	84.7	197.5	
B.C.	126.7	141.7	374.4	490.0	550.1	
N.W.T.	14.5					
Total	8,690.6	1,713.0	11,079.0	9,266.4	13,612.8	23,100.0[2]

[1] The Defence Industrial Research Program terminated FY 1975-76.
[2] Estimate only—returns not yet complete.

FIRA—ADAMS INVESTMENT COMPANY

Question No. 2,357—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by Adams Investment Company at the time of approval by FIRA?

2. For each year since the approval, did the Company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on April 29, 1980; the annual review of undertakings commences on or about April 29, 1981, and is not yet completed.

2. Not applicable.

3. Not applicable.

FIRA—BBC BROWN BOVERI CANADA INC.

Question No. 2,358—**Mr. Deans:**

1. Did the Foreign Investment Review Agency conduct a yearly review to determine the fulfilment of all short-term and long-term commitments made by BBC Brown Boveri Canada Inc. at the time of approval by FIRA?

2. For each year since the approval, did the company live up to all public commitments and, if not, what (a) commitments were not lived up to (b) action was taken by FIRA to insist that the original commitments be fulfilled by the company?

3. Were new commitments agreed to by FIRA and, if so, what were they and were they kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. The investment proposal was allowed on May 9, 1980; the annual review of undertakings commences on or about May 8, 1981, and is not yet completed.

2. Not applicable.

3. Not applicable.

REMUNERATION—PUBLIC SECTOR/PRIVATE SECTOR

Question No. 2,401—**Mr. Herbert:**

1. Is the government aware of a working paper prepared by the Centre for Industrial Relations of the University of Toronto which states that public sector remuneration is six to eight per cent higher than in the private sector?

2. (a) Have the wages of public sector employees, in recent years, exceeded those of their private sector counterparts by five to fifteen per cent (b) has the wage advantage been larger for females than for males (c) do high-level occupations in the public sector not pay the competitive wage and, if there is an acknowledged differential, does the President of the Treasury Board intend to bring Public Service salaries into line with the private sector?

Hon. Donald J. Johnston (President of the Treasury Board): 1. The hon. member probably refers to the work of Mr. Morley Gunderson who published a number of papers and articles in professional journals on the subject of public sector compensation.

2. Generally, Mr. Gunderson's studies do not differentiate between employees at the federal, provincial and municipal levels and some of the major conclusions are based on 1971 census data. However, in the discussion of the results, Mr. Gunderson mentions that "the largest wage advantage is at the provincial and local levels, with little or no advantage at the federal level" (Industrial Relations Vol. 19, Number 3, Fall 1980, p. 268) or "Federal wage increases appear to have been the most 'orderly' and 'in line' with private sector wages." He also concludes that the fact the public sector advantage for females is greater than that for males "presumably reflects the lower degree of sex discrimination in the public sector." In addition, he mentions that it "may be a result of a more egalitarian wage policy that is also responsible for the greater wage advantage in low-wage occupations in the public sector" (Industrial Relations, Vol. 19, Number 3, Fall 1980, p. 269).

In concluding that the public sector results do not apply to the federal government, Mr. Gunderson's analysis is consistent with the findings of a recent study by the Conference Board in Canada which, based on more up to date data, indicated that "There is no substantive evidence that suggests rates of pay in the Federal government consistently exceed the rates of pay for comparable jobs in the private sector as of mid-1978" (M. J. Daniel and W. E. A. Robinson, "Compensation in Canada: A Study of the Public and Private Sectors", the Conference Board in Canada, Ottawa, April 1980).

The policy followed by the government as employer in compensating federal employees is comparability with the private sector up to and including the first level of the executive officer category. Above this level, salaries for increased responsibilities are not based on market comparability. They adhere to a system of differentials in recognition of job accountability.

Order Paper Questions

HIGHWAY EXPENDITURES IN QUEBEC

Question No. 2,437—**Mr. Corbett:**

What amount did the government spend in the province of Quebec on the development of highways between 1970 and 1980?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): In so far as Public Works Canada is concerned: $13,608,103.27 was spent on the development of the Trans-Canada Highway in the province of Quebec in 1970/71. This amount does not include costs of maintenance and construction of interprovincial bridges.

In so far as the Department of Regional Economic Expansion is concerned:

DREE Expenditures and Commitments
for Highway Construction in Quebec
Between 1970 and 1980

Description	Amount
Former Programs	
Special Areas (Quebec, Trois-Rivières, Sept-Îles and Port-Cartier):	
Grants:	$ 36,297,000
Loans	$ 9,653,000
Sub-Total	$ 45,950,000
New Montreal International Airport (NMIA) (Special Area)	
Grants:	$ 53,810,336
Loans:	$ 10,245,000
Sub-Total	$ 64,055,336
Fund for Rural and Economic Development Act (FRED)	
Mining roads	$ 5,958,555
Tourist highways	$ 4,800,000
Regional highways:	$ 27,300,000
Sub-Total	$ 38,058,555
Agricultural and Rural Development Act (ARDA)	
Mining roads:	$ 2,288,182
Forestry roads:	$ 1,253,997
Tourist highways:	$ 258,760
Sub-Total	$ 3,800,939
Agricultural and Rural Development Act (ARDA) Indians	
Access roads to reserves:	$ 950,692
Total	$152,815,522*
Canada-Quebec Subsidiary Agreements	
Subsidiary Agreement on Mineral Development:	
Permanent roads:	$ 2,934,000
Access roads for exploration:	$ 4,900,000
Sub-Total	$ 7,834,000
Subsidiary Agreement on Forest Development:	
Forestry roads:	$102,120,000
Subsidiary Agreement on Key Highway Networks:	$205,505,000
Total	$315,459,000
Grand Total	$468,274,522*

*$19,898,000 of which is in the form of a loan.

URBAN TRANSPORTATION ASSISTANCE PROGRAM

Question No. 2,438—**Mr. Mazankowski:**

Since the inception of the Urban Transportation Assistance Program (UTAP) (a) what amount of money (b) what per cent of the total approved cost was applied to (i) projects under the Railway Grade Crossing Fund (ii) transporta-

tion projects to assist the handicapped and disabled (iii) all other urban transportation projects?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):

	(i) *RRCA Projects	(ii) Handicapped Transport Projects	(iii) Other Urban Projects	Total
(a) Funds approved to date	$97,556,000	$201,000	$47,181,000	$144,938,000
(b) Percentage of total funds approved to date	67.31	0.14	32.55	100

* Contributions are calculated in accordance with the provisions of the "Railway Relocation and Crossing Act" (RRCA) and are paid for out of the Urban Transportation Assistance Program (UTAP) rather than from the Railway Grade Crossing Fund, which is administered by the Canadian Transport Commission and is now only used to pay for protective devices at level crossings.

DALE CORPORATION CONVENTION CENTRE

Question No. 2,478—**Mr. Herbert:**

Did the government contribute $3.8 million to the Dale Corporation Convention Centre in Charlottetown, Prince Edward Island and, if so (a) what will be the total cost of the project (b) who is to finance the balance of the cost, if any (c) what were the conditions under which the funds were provided?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as the Department of Industry, Trade and Commerce is concerned: yes, under the Federal Assistance to the Construction of Convention Centre Program.

1. (a) The total cost of the project is estimated at $16 million.

(b) The federal government will contribute $3.8 million, the provincial government $3.8 million and the remainder will be provided by the Dale Corporation.

(c) Terms and Conditions:

(1) Federal assistance to be limited to the capital costs, including land, of trade and convention centres, and in no case will the federal assistance be used to cover the operating costs of the centres;

(2) the federal contribution under this program for any one centre not to exceed 25 per cent of the total estimated capital cost, including land, or the contribution of the provincial government concerned, whichever is less;

(3) in any one year, total federal assistance under this program limited to a maximum of $15 million, including land;

(4) this federal government initiative not to cover any cost overruns; and

(5) federal support limited to those centres which have been shown to be economically viable. Selection of qualifying trade and convention centres will reflect the priorities of regional requirements and opportunities.

SOVIET EMBASSY—MOTOR VEHICLES

Question No. 2,483—**Mr. Cossitt:**

Did the government of Ontario provide the Department of External Affairs with a complete list of all motor vehicles licenced in 1979 to the Embassy of the U.S.S.R. or to employees thereof and, if so, in each case (a) who was the owner (b) what was the licence plate, colour, make of the vehicle and the vehicle year?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Yes. However, the information requested by the hon. member cannot be provided since its public disclosure could jeopardize the personal security of members of the Soviet Embassy who continue to use the same vehicles which were registered to the Soviet Embassy in 1979. In the view of the department such disclosure would be inconsistent with Canada's obligations under the Vienna Convention to take all appropriate steps to prevent any disturbance to the peace of a diplomatic mission or the impairment of its dignity.

Question No. 2,484—**Mr. Cossitt:**

Did the government of Ontario provide the Department of External Affairs with a complete list of all motor vehicles licenced in 1980 to the Embassy of the U.S.S.R. or to employees thereof and, if so, in each case (a) who was the owner (b) what was the licence plate, colour, make of the vehicle and the vehicle year?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Yes. See question No. 2,483 answered today.

Question No. 2,485—**Mr. Cossitt:**

Did the government of Ontario provide the Department of External Affairs with a complete list of all motor vehicles licenced in 1981 to the Embassy of the U.S.S.R. or to employees thereof and, if so, in each case (a) who is the owner (b) what is the licence plate, colour, make of the vehicle and the vehicle year?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Yes. See question No. 2,483 answered today.

ST. LAWRENCE RIVER DREDGING COSTS

Question No. 2,493—**Mr. Crosby:**

1. What was the cost to the government of dredging the St. Lawrence River and other waterways which can be attributed to maintaining shipping service to the Golden Eagle Refinery at St. Romuald, Quebec, in each year since the refinery was constructed?

2. Does the government intend to recover any of the costs of dredging through user charges and, if not, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The cost of dredging the St. Lawrence River attributable to maintaining shipping service to the Golden Eagle Refinery at St. Romuald, Quebec, cannot be segregated from the total cost of dredging from which other shipping, such as grain traffic, also benefits. This total dredging cost in the North Traverse Reach of the St. Lawrence River in each year since the refinery was constructed was:

1971-74 (during construction of the refinery)	$19.2 million
1975-76	Nil
1977	1.1 million
1978	1.6 million
1979	1.4 million
1980	1.5 million

2. The administrative and economic feasibility of recovering the costs of channel dredging in Canada is under active consideration by Transport Canada.

DOT—CONTRACT TO ALBERY, PULLERITS, DICKSON AND ASSOCIATES

Question No. 2,595—**Mr. Stewart:**

Did the Department of Transport commission Albery, Pullerits, Dickson and Associates, Don Mills, to prepare a $137,000 feasibility study on converting natural gas into methanol or gasoline in the Arctic and transporting the fuel to eastern Canada and, if so, what were the findings or recommendations of the study?

Hon. J.-J. Blais (Minister of Supply and Services): The Department of Supply and Services awarded a contract on behalf of Transport Canada for $137,000 to Albery, Pullerits, Dickson and Associates to study the feasibility of converting natural gas into methanol or gasoline in the Arctic and transporting the fuel to eastern Canada. As the contract requires the contractor to deliver the final report on November 16, 1981, its findings or recommendations cannot be provided at this time.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,276 could be made an order for return, this return would be tabled immediately.

[*Text*]

DRUG AND ALCOHOL ABUSE

Question No. 2,276—**Mr. Greenaway:**

1. (a) From 1979 to date, by year and by province, what amount was spent by the government and/or its agencies on programs to educate Canadians on the dangers of (i) drug (ii) alcohol abuse (b) for each year, what was the total expenditure *per capita*?

2. (a) For the same period, by year and by province, what amount was spent by the government and/or its agencies on medical and other research into the causes and effects of (i) drug (ii) alcohol abuse (b) for each year, what was the total expenditure *per capita*?

Return tabled.

[*English*]

Mr. Cossitt: Madam Speaker, I rise on a point of order. I would like to ask about two questions, question No. 30 and question No. 136. Question No. 30 has now been on the order paper for five years and 22 days. Over those five years, I have raised this matter at least six or seven times or more, and every time I have raised it either the present parliamentary secretary or his predecessors has said he would look into the matter and the question would be answered soon. That has gone on now for five years and 22 days, which I think is a pretty ridiculous situation.

The question merely asks for the names of the members of the Canadian Transport Commission who have Air Canada passes or any of its employees who have Air Canada passes, and if any of the wives of members of the Canadian Transport Commission have Air Canada passes. This is a very simple matter, and yet for five years and 22 days the government has failed to answer. This can only lead to the obvious conclusion that there are people who have passes and that they do not want to let the public know about it.

I think that is shameful. Something should be done by this government to get off its behind. Perhaps hon. members opposite should borrow a bunch of hearing aids so that they can hear what is being raised by the opposition in this House by way of points of order and they can do something about them.

Question No. 136 is the other question. It has been on the order paper for about two years. It concerns the fact that the Liberal Party of Canada chartered a DC-8 from Air Canada in the 1979 election campaign and never paid the bill. By the time of the election a year later the bill had still not been paid, yet Air Canada gave the Liberal party another aircraft. I would like to know what is going on.

I am told that eventually the bill was paid. How much was paid? The Liberal party argued it was being overcharged, whereas the Conservative party paid its bills as they were rendered without disputing them. It is obvious there is a charge. If there is an indebtedness, it should be paid. It is taxpayers' money. Hon. members opposite have never answered that, and I do not understand why they want to hide this matter. An official of Air Canada told my office six months ago that the answer to this question was prepared and in the hands of the Minister of Transport (Mr. Pepin).

Why are the answers to question No. 30 and question No. 136 being held back to the extent of five years and 22 days and two years?

Mr. Collenette: Madam Speaker, the hon. member for Leeds-Grenville has asked this question a number of times, and I have pointed out on many occasions that his questions are frequently answered in the House. Three of the 12 answered today are questions by the hon. member.

Mr. Cossitt: Get to the point.

Mr. Collenette: The hon. member referred to two specific questions. He talked about sources he has within Air Canada or some other government agency. I can assure Your Honour that it is not my duty or job to hold any questions back. As I have said before, the government has never refused to answer any question. It may very well be that the question to which

the hon. member is referring is much more complex to answer than the hon. member thinks. I ask him to be patient.

Mr. Cossitt: Madam Speaker, I rise on a further point of order. Would the parliamentary secretary undertake to contact personally the Minister of Transport who is, I presume, responsible for the production in the House of the answers to both these questions, and to ask him why something has been in his office for six months and not forwarded on to the Privy Council Office? Will the parliamentary secretary ask the minister why for five years and 22 days information requested about the Canadian Transport Commission should be refused?

I think it is the duty of the parliamentary secretary, if things are stalled like this, not to tell the House it is not his problem, other than to produce answers when furnished to him. I think it is his duty to go after those who do not furnish answers and to ask them what is going on. The parliamentary secretary should indicate that he is being asked about certain questions in the House and should say, "Give me the answer." Giving statistics about the fact that the government answered three of my questions today or that it will answer four tomorrow, or other questions coming up, is no answer at all. Facts, figures and percentages are what we have been getting from the parliamentary secretary and the Privy Council Office for months and months. Could we have some production and not words?

Mr. Collenette: Madam Speaker, it is very thoughtful of the hon. member for Leeds-Grenville to remind me of my responsibilities. I should inform him that I do regularly talk to ministers and departments to obtain answers to questions, especially when they are raised—as the hon. member has done—in the House not just once but on a number of occasions. Without accepting the assertion by the hon. member that the answer he seeks is in the hands of the Minister of Transport, I shall certainly talk to the minister personally.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ANIMAL DISEASE AND PROTECTION ACT

AMENDMENTS RESPECTING COMPENSATION PAYMENTS

The House resumed, from Tuesday, June 30, 1981, consideration of the motion of Mr. Cosgrove (for the Minister of Agriculture) that Bill C-70, to amend the Animal Disease and Protection Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I have a few minutes. I know the minister will be following me. There was an agreement last Tuesday that I speak before him.

I made some remarks dealing with the future price of cattle, and as I read the speech this morning, I found that the arithmetic does not work out very well. I think the minister will understand that I was referring to the fact that with the number of young farmers getting out of producing beef because of the price of grain, we will be faced with a very high price for beef in the next year or two. If I used the figure of $1.25 or $1.50, I should have said it will be over $2 a pound.

I hope that when the minister makes his speech he will have read my speech, and that he will deal with that subject.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the legislation we are dealing with today is a small but quite important amendment to the Animal Disease and Protection Act.

To state it simply, this amendment means that owners of livestock will be compensated when animals, which would have been ordered destroyed under the act, die before that order can be carried out. It also provides compensation for the owner of an animal injured while being tested under the act and therefore has to be destroyed. These changes are long overdue.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) raised some interesting arguments about compensation for livestock, but I should first point out that the bill we are dealing with does not deal with rates of compensation. It merely closes two loopholes so that farmers, operating under the provisions of the act and complying with its intent, do not lose out when animals die before the process is completed. I am sure the hon. member will agree with the justice in that amendment.

There is a very good reason also for providing a different type of compensation for brucellosis and tuberculosis than for the other diseases named in the act. Brucellosis and tuberculosis are endemic diseases in Canada, and the livestock industry has a certain responsibility to see that its herds are not infected. They are both under eradication programs which, I should point out, have the full support of the livestock producers of this country.

● (1520)

Back in the early 1970s we amended the bill so that farmers would not be locked into statutory compensation rates that require legislation to change. They are now subject to regulation. Those regulations are under constant review by my department and are amended as livestock values change. When animal prices rise to the levels the hon. member suggests, the levels of compensation can be amended. Full market value is paid when the animal is destroyed by an exotic disease because that can in no way be controlled by the producer. By setting a maximum level for animals destroyed under the eradication programs, we place some responsibility on the producer to manage his or her herd in such a way as to keep it

free from disease. Animals sold at auctions must show proof of freedom from diseases, so a producer need not introduce diseased animals into the herd.

The program has been successful. Less than 90 herds are now quarantined for brucellosis. That is down from 1,500 herds in 1977. Tuberculosis probably exists in about 10 herds and we expect it will be totally eradicated in the next two or three years.

When producers have high priced animals, Mr. Speaker, we feel they have a responsibility to insure them and such insurance is available. We do not think the taxpayer should have to bear that burden. There is insurance and they should take it, as practically all good breeders do. A good farmer knows that disease is costly. If he allows disease to exist in his herd, he is losing far more money than he will lose by having the diseased animals destroyed and using the compensation to replace them.

We have worked hard to keep our programs up with the times. The hon. member talks about situations as they were in the past. They are very different now, including the pay for veterinarians. Vets in the government service recently negotiated a new two-year contract and I think you will find they have a level of income that relates very well to the income of vets in private practice. That is long overdue and the new contract, in most instances, brings them up to a comparable level. I totally agree with the hon. member for Qu'Appelle-Moose Mountain on this. For the education they have, the number of years it takes to be properly trained, many are underpaid because they happen to be a veterinarian working for the Department of Agriculture, whereas someone in another department with less education is paid more because they are working for a department that is considered probably more sophisticated than agriculture. We hope to bring them all in line, whether they be veterinarians, technicians or whatever. There has been a philosophy in the past that says that if you work with food you should take a lesser income. For too long it has been thought that people who work with food are peasants or associates of peasants.

Canada enjoys a very high standard of animal health and this pays dividends not just to the livestock producer but to all Canadians through strong export sales of Canadians animals. Exports of live animals and poultry brought in more than $230 million last year. That is only possible because the Canadian livestock industry has developed a high level of animal hygiene. Our animals are sought out by foreign buyers because they know they are getting healthy, disease-free stock. We claim to have the most disease-free stock in the world and we want to improve on that. It did not come about just by chance, Mr. Speaker. It came about through close co-operation among the federal and provincial agriculture departments, the veterinarians, the livestock producers and the animal and poultry breeding associations all across the country.

In the eradication of disease, it often becomes necessary to destroy livestock. The Animal Disease and Protection Act gives us the authority to do that. But if you are to destroy a farmer's livestock, you have to compensate him for the loss. The levels of compensation paid for animals ordered destroyed in disease-control programs has been increased from time to time to reflect rising livestock prices, the latest being last December when maximums for purebred dairy and beef cattle were raised to $1,800 and $1,500 respectively. Last year my department paid out a little more than $5 million in compensation to livestock producers.

When we talk about the importance of livestock producers to the over-all economy, we would do well to remind ourselves just how important it is. Farm cash income from cattle and calves last year was $3.8 billion or about 25 per cent of total farm cash income. Income from hog production was $1.4 billion, or 9 per cent of farm cash receipts. Add in poultry and dairy products and it comes to $8.3 billion or 54 per cent of farm income. In our society we hear so often that grain is the largest source of farm income. Mr. Speaker, it is not. The livestock and poultry industry are, as I said, 54 per cent of total farm income. Then you have the horticultural crops, the fruits and vegetables, which are quite large and ever expanding. So we see a change in livestock production but I do not think we should ever underestimate the value of that industry to our society.

We also know how much it means to the feed industry. Canadian feed manufacturers' figures show they sell approximately $1.8 billion worth of feed to the livestock producers in Canada. They are huge users of feed grains in Canada.

As I said before, the bill before the House today, Mr. Speaker, brings into the act two situations under which owners may lose out on compensation payments even though coverage of these losses falls within the intent of the act. As the act is now written, if an animal is inspected by a veterinarian and found infected, but dies before it can be destroyed, then the owner is not eligible for compensation. Similarly, an owner loses out if his animal is injured while being tested for an infectious or contagious disease and must be destroyed. This may sound strange to some people but some animals not in close contact with humans are under tremendous stress when they are put in pens, etc., and some become frightened and die. Under the old act there was no way properly to compensate the farmers for that. We think that is unfair. It rarely happens but it is a tremendous loss when it does. Surely those owners are entitled to the compensation they would have received if their animals had completed the testing process and been destroyed under the act.

The amendments the House is being asked to approve today, Mr. Speaker, will legalize the payments of compensation to those owners. It is not a big item in terms of the money required. The compensation for animals destroyed under these situations represents less than 2 per cent of the value of compensation currently being paid. Some people say I have been right and I have been wrong: I have been right in making these payments but I was wrong because I did not have the proper legislation to do it. I have said one can never get into difficulty when they are right in making a payment, no matter what it complies with.

I am sure, Mr. Speaker, that all hon. members will be quick to approve these short, but important changes in an act that has been such a benefit to all Canadians.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I must confess I do not now have any farmers in my constituency, although I have had in years gone by, so it is very difficult to speak on behalf of the people I represent. However, I do want to say a word or two about the bill.

My understanding of it is now quite clear, having listened to the minister. I appreciate the fact that he spoke ahead of me because I did not want to misinterpret him. At one stage, while reading the bill I frankly misinterpreted one of the sections. As I understand it, this bill is more or less a response to a series of situations which have arisen over the last few years as to whether or not compensation could or could not be paid under the act. The act as it existed did not take into account very grey, fringe areas where animals died prior to action being taken by Department of Agriculture officials to determine the health of the animal. I was particularly interested in the speech of the hon. member the night before last. He talked about the problems of price maintenance in a number of different areas.

● (1530)

Recently I had occasion to tour the farming community in my area. A discussion took place concerning a young man who had undertaken some two years ago to establish a hog farming operation. I raise this matter only as an aside; it is related indirectly. The young man went to the bank and borrowed funds in order to get his hog farm under way. He had a fairly substantial and well-run operation. He is a dedicated young farmer whose background is in farming. Now he is in considerable debt. If he were less dedicated, I wonder what care and maintenance his animals would receive. The rate of return on his farming endeavour is not sufficient at this point to cover his outlay. This situation could quite easily lead a less dedicated individual to care in a much more cursory manner for the health of his animals.

Also my colleague in the Conservative party referred to a matter which closely ties in with the health of animals. If farmers are unable to receive a reasonable return for the sale of animals—in this case pigs and hogs—they must become more part time and less full time farmers; they spend more and more of their time working at other things. I am referring to a fairly small operation. Then the level of care and the investment of time are dramatically reduced. If I read the situation correctly, the end result could lead to animal diseases not being detected early. Therefore this could add to the problem of the need to dispose of more diseased animals than would otherwise be necessary. I realize this is somewhat a branch-off in terms of the present discussion, but we must look at this as part of a total package.

If farmers, particularly animal farmers, are to be primarily responsible for early identification of diseased animals, we cannot continue to allow an erosion of the price structure to the point at which farmers cannot devote full time to their farms. This is in support of much of what the minister has said concerning price maintenance. Farmers should be able to receive a return for their time, effort, financial commitment, investment and bank borrowing charges. These items are rolled into one large investment. Farmers should receive an amount which is sufficient to pay back their loans, to recover their operating costs and to maintain a level of income. If not, they are forced to become part time farmers. Then they will not be present on the premises all the time to care for their animals, particularly the ones which are penned as opposed to those which are roaming, grazing, etc. The minister indicated the millions of dollars he has paid out in the last year. If we consider the last number of years, it may well rise in relationship to the decrease in the amount of care farmers are able to give. I see the minister shaking his head, but let me tell him that I visited two or three farms. I had represented the area for the better part of 13 years.

Mr. Whelan: Provincially?

Mr. Deans: Yes, provincially. In my tour I noticed with interest that as farmers are less able to recover sufficiently from their involvement and as they are forced to do other than farm for a living, the level of care of animals definitely decreases. There is no doubt in my mind that this is happening. The minister should take a quick tour of some of the smaller operations. I am not talking about large farms with hired help; I am talking about the smallers ones in which this problem arises primarily. There is a definite decrease in the level of care of animals in that farmers are not present and working full time at their operations.

As we look at the legislation before us, we must take into account the problems which have arisen over the last while. I suggest that between now and five years from now, if we allow the price structure to continue below a fair rate of return, more and more farmers will be put in the position of not being able to maintain their operations at the level to which they are committed. Therefore more and more animals will receive less care than they otherwise would have received. The end result of this situation could well be a requirement on the part of the government through this legislation to expend considerably larger sums of money than are currently being expended in order to deal with the problem of diseased animals.

I am trying to extrapolate what I have seen in a very small area into a much larger concern. I would not rule it out because it is not an exact comparison. If one looked at the effect of abandoned orchards on the orchards which are still operating, one would quickly recognize that the problem of diseased trees had a very serious effect upon neighbouring orchards. The farmers in the Niagara Peninsula—and I suspect those in Essex County—found it virtually impossible to continue their orchard operations given the prices they received for the product they produced. The end result was that they backed away from their fruit farms. They did not walk away one day; they gradually harvested less and less. As they gradually produced less and less, they received fewer and fewer dollars and put less into pesticides and other treatments

necessary to maintain the health of the trees. Little by little the erosion took place. I am not a farmer, but I have some experience in that area. I am concerned that if smaller farmers are not able to recover sufficient income from their products, they will similarly be unable to maintain their business operations. They will not be able to put the time, the effort or, for that matter, the concern into farming. Although we will not have to amend this act any more because the payment is no longer statutory, I suspect that over the course of time we will find considerably larger and larger sums of money allocated for the eradication of disease which was brought on simply by an inadequate price structure in the first place.

• (1540)

I support the minister in some of what he has said in the past, but we have to find a way to do one of two things, or perhaps a combination of two things. We have to find a way to make it possible for the smaller family farm wanting to maintain its operation and take its produce to market to do so. First, we have to find a way to guarantee that there will be a reasonable price paid to farmers for the time and the effort they spend on their operation. Second, we have to find a way to reduce the numbers of dollars farmers must hand out to banks and the like, if I may say, for the money they must ultimately borrow to maintain their operations in a way that will be satisfactory both to them and to the marketplace.

I readily admit that the bill deals quite specifically with one change in a series of different sections. I can see that unless we go much further, unless we do something about the economics of farming, not only will we be dealing with diseased livestock eradication problems, but I suspect we will be dealing, at least in some parts of this country, with diseased grain and other problems since farmers will not be able to put the time, the money or the effort into the protection necessary to safeguard their very livelihood. Knowing the minister's interest in this, I thought I might tie the two together so that he can get back to his colleagues and argue for a better system.

If I may return to the young man I spoke about earlier, here was a young fellow who went to the bank on his own. He went through agricultural college and graduated. He then decided that he would go into hog farming in a reasonable way. He got himself a barn, cleaned it up and put in new pens. He borrowed $20,000. That may not seem like a lot of money to the minister, I do not know, but it seems a lot to me. The young man began carefully, single-handedly, nurturing and building his herd. The problem is the young man has no place for his herd now because he cannot get his money back in the marketplace. I must stress that it is his personal dedication only that keeps him on the land and keeps him trying to make his undertaking a viable one.

I think it would be useful if the House of Commons would spend a little more time, as I have said on a number of other issues, in dealing with that problem. The problem does not confront the larger farms. In many instances large farms are able to self-finance because of their size. But it certainly confronts the young, eager farmers who are trying to make a go of it and maintain our food supplies. Maybe we could find a way to accommodate their concerns. In the long run money would be saved under this legislation in the marketplace.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

[*Translation*]

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

AMENDMENT RESPECTING ISSUANCE OF DEMAND NOTES

Hon. Pierre Bussières (Minister of State (Finance)) moved that Bill C-71, to amend the International Development Association Act, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

He said: Mr. Speaker, it is my pleasure to present to the House a proposed amendment to the International Development Association Act to authorize a payment of $164,600,000 to the International Development Association. As hon. members know, the acronym IDA is commonly used to refer to that association. The payment of that amount will be made as a partial settlement of Canada's commitment in respect of the sixth replenishment of the resources of the association. Support for the International Development Association is one of the main channels through which Canada promotes the development of Third World countries.

As an agency of the World Bank responsible for granting preferential loans, the association has made a name for itself as being one of the most efficient international development multilateral instruments. Indeed, since its creation in 1960, this organization has put up over $20 billion in American funds to carry out various projects, be they related to technical studies or medical research. Seeing how successful the association has been in marshalling resources from the four corners of the world, and especially in profitably investing those resources in the world's least advanced countries, Canada ranked it high in its over-all development assistance program.

All the other major donor countries followed in Canada's footsteps and it is imperative that Canada and the other countries continue to support the International Development Association if we want to maintain the economic growth of underprivileged nations. Although 121 countries belong to the association, the main beneficiaries of the loans made by the

association are the least developed and very poor countries, namely the few countries where the per capita income is below $625 in 1978 American dollars. The International Development Association is in a position to contribute effectively to the growth of those countries for two reasons. First, it does benefit from the wide experience of the World Bank staff. Second, thanks to its considerable resources, it can develop and implement projects of a scope that no other preferential loan organization could match. The resources of the International Development Association come mostly from the member countries of the OECD, which have provided approximately 95 per cent of its total funds for many years. The loans granted by the World Bank to support these funds for the implementation of projects are usually interest free. Repayment is over 50 years and can start only 10 years after the loan is granted.

Since the Bank exhausts the resources of the IDA by granting such loans, it must regularly replenish the funds of the International Development Association. The total amount needed to replenish these funds as well as the proportional contribution of each country are determined by international negotiations. Afterwards, the respective governments of the member countries are asked to approve the amounts negotiated. This is the sixth current replenishment of the resources since the creation of the International Development Association. In the last few years, the funds of the IDA have been replenished every three years; the sixth replenishment was negotiated in 1979, it will occur in phases from the middle of 1980 until the middle of 1983 and the total amount for that replenishment has been set at $12 billion in U.S. funds.

During the negotiations, Canada decided to set its share at 4.3 per cent of the total replenishment or $601.8 million Canadian. For all previous reconstitutions, Canada's share was just over $1 billion U.S., or 5.3 per cent of the total resources of the International Development Association. The amendment to the International Development Association Act now being considered in this House aims at authorizing the second payment to be made as a partial settlement of Canada's commitment in respect of the sixth replenishment of the resources I have been referring to. Last year, Canada made a first payment of $177.1 million to the Association.

I would like to note, Mr. Speaker, that these payments are made in the form of non-interest bearing demand notes which the International Development Association usually cashes over a period of 10 years as it actually implements its projects. The International Development Association does not need the contribution of Canada immediately, but it asks that we make the unconditional commitment to pay these funds by issuing non-interest bearing demand notes to be able to make loan agreements with the receiving countries.

The payment by Canada would normally become due on July 1. However, the United States has been late in ratifying the sixth replenishment. To enable the IDA to continue its loan program, Canada and many other donor countries have made their first payment in respect of the sixth replenishment last year, as provided by the negotiated resolution and as I have just indicated. This year, donor countries have decided to wait for the United States to duly approve their share of the sixth replenishment before making their second payment. The American administration expects Congress to approve its contribution this fall, at which time other donor countries should make their second payment. Until such time as the United States has obtained legislative approval of its commitment to the Association, Canada will be under no obligation to make its second payment, for which authority is now being asked, to the House of Commons. I wish to thank hon. members and the House leaders of the opposition parties for having agreed to limit their speaking time in order to pass this bill, and I thank you, Mr. Speaker, for your patience in listening to me.

• (1550)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am honoured to have the opportunity to reply briefly on behalf of Her Majesty's Loyal Opposition with respect to this bill. Before I begin my short remarks on the subject, I would like to say that it would be beneficial for us to read at some point the report on the House of Commons by the Auditor General for the fiscal period ending March 31, 1979. In it he wrote rather emphatically and eloquently about the necessity for Parliament having some control over the expenditures of government. We should remind ourselves that the reason we are involved in this series of bills under the arrangements which have been made is not that there is any disagreement in the House of Commons with the kinds of programs which are covered in these bills, as extensive and wide-ranging as they are, but that there was another great disagreement in the House.

It is a credit to the everlasting good name of the hon. member for Calgary Centre (Mr. Andre) that the government has been brought to the point where it can no longer use dollar items in the estimates. I know the Minister of State for Finance (Mr. Bussières) will remember what I am saying. The government can no longer use dollar items in the estimates, or authorize expenditure of money, virtually without parliamentary approval. We are engaged in this practice, with respect to this bill to amend the International Development Association Act, because of the necessity to generally observe the requirements of the Auditor General. We want to ensure that Parliament has some control and that the process is right—not just that the ends are justified, but that the means to get to those ends are justified. It is in that spirit that I am very pleased to clearly indicate our support for the bill itself.

Your Honour and I had an opportunity during a parliamentary recess to speak with the minister of education for Somalia at a luncheon. The hon. member for St. Boniface (Mr. Bockstael) was there as well. The minister told us of the great difficulties which some countries were facing, and particularly his country, with the influx of people across their borders in a horde, which is hard for us to imagine. I gathered these

refugees were from Ethiopia. The economy of his country was supporting, according to the figures and the proportions, the equivalent of an influx into Canada of about eight million people within one year.

I have never forgotten that statistic nor that luncheon. That had a profound effect upon me with respect to the importance of Canada's place in the world and Canada's responsibility as a world nation and as a part of the brotherhood of man. That luncheon and those statistics have been emblazoned on my mind. We were looking into the face of a minister of a small country who was telling us of the enormity of the problem. Could we imagine what would happen in Canada if we had that burden to bear, just financially, with an economy as strong as ours in comparative terms? It is no wonder that Somalia and other countries are the beneficiaries of what I think is a first-rate offshoot of the World Bank, which is a gathering of nations of the world to help each other.

The International Development Association is a new affiliate of the bank. It was established to meet the situation of a growing number of less-developed nations, those countries in which need for and ability to make use of outside capital is greater than their ability to service conventional loans.

• (1600)

Consequently, the terms of the IDA's development methods are designed so that they will impose less burden on the balance of payments of borrowing countries and of conventional lenders. If we do not have this kind of thing, then loans would be meaningless to some of the countries to which they are addressed.

The association has been described somewhere as a "soft-loan window" used by the World Bank group to lend funds to the poorest developing countries for development purposes at highly concessional rates—a three-quarters of 1 per cent carrying charge, with a 50-year term and ten years of grace, is quite an advantage. It is an advantage which I am sure is absorbed and offset by the state of the donor countries. By June 30, 1980, Canada had advanced a total of U.S. $1,027,351,000 to IDA. That represents 5.27 per cent of total donor advances. This bill will allow that to continue.

When preparing for this short debate, Mr. Speaker, I did some reading about something which arose out of a process which is relatively new. I am proud to say that it was initiated in Parliament when the Right Hon. Leader of the Opposition (Mr. Clark) was Prime Minister. I refer to the select committees which the government has now chosen to call parliamentary task forces.

In the third report of the parliamentary task force on North-South relations, stress was laid on the need for a fresh approach to development. It is interesting that the parliamentarians involved, members of the Liberal Party of Canada, members of the Progressive Conservative Party and members of the New Democratic Party, attacked the conundrums facing the nations of the world in an intellectual way as they involve the North-South dialogue.

In that third report, the mixture of members of this House made some recommendations which were unanimous and which other members of this House ought to consider very carefully. They asked for a new approach to development. They asked the House and the country to consider that the image of a world divided between a powerful north and weak and dependent south is outdated and that the country reconsider its position. The Prime Minister (Mr. Trudeau) has come to this rather late in his public life but it is to be noted that Parliament supported those recommendations.

Some of the key recommendations ought to be remembered and the report ought not to lie fallow in the desks, in the filing drawers and on the shelves of some department of government. The problem with the select committee provisions, when this party was the government, and with the parliamentary task force provisions now, is that there is no way that members of the committee and Parliament can ask the government to respond to the reports adopted by the House within a short period of time. That failure cannot be laid to the Minister of State for Finance; it is the fault of the system.

When we consider parliamentary reform, then, as well as giving Parliament a greater right to hold government financially accountable, I think we ought to give Parliament an opportunity to hold government accountable in the sense that it should respond to and comment upon, in a public way, reports presented to the House. This applies particularly to special reports commissioned as the result of a reference from the government.

The first key recommendation was that Canada should raise its ODA target to .7 per cent of GNP by 1990 and achieve the level of .57 per cent by 1985. It now stands at .46 per cent. If the report were approved and adopted it would increase the current aid budget of $1.2 billion to about $3 billion by 1985. That is a tremendous adjustment but it is an indication of the magnitude of the problem that a committee of Parliament found. It would mean the expenditure of $350 million more than the government envisages at the present time.

The report made a second and very important recommendation, that Canada should concentrate its aid on the poorest countries, giving its highest priority to basic education and improving women's skills. This is something which is needed in every country but particularly in the poorest countries. It is the message that the minister of education of Somalia left with us, aside from the basic needs message that he brought. We now support 89 countries. The thrust of the report is that we should concentrate on fewer countries.

There is also a recommendation that more of the ODA should go to non-governmental organization activities, notably to smaller rural projects operated by NGOs on CIDA's behalf.

It recommended that CIDA should decide where to buy goods and services favouring Canadian sources, but free of any percentage rule such as is in place at the moment. It proposed that short-term commercial objectives should not be permitted to undermine the developmental objectives of aid. There is a

sense of humanity running through all that, the thrust of it being that there would be a long-term benefit to Canada.

Food aid should only be used to fill the gap between a country's food needs and its food production. Canada should buy food for needy nations from neighbouring poor countries having surplus food.

The report went on to say that there should be a major public inquiry to pin-point industries unable to withstand competition from cheap imports from the Third World. Canada's declining industries ought to be replaced by new, promising enterprises, thereby strengthening Canada's economy and allowing easier entry of developing nations' products. Whether we like it or not, Mr. Speaker, that is something that we are going to have to consider. When I hear members of the government say that we are going to consider an industrial strategy, I wonder what the thrust of it is going to be and how the government will come to terms with that very significant recommendation, which is a difficult one for this country at this time.

The report gave some credence to the importance of the price of energy and the supply of energy. It recommended that we should support the creation of a new energy-related lending agency as proposed by the World Bank. I think that is important in view of the cost of energy and its effect on the economies of developing countries.

The unanimous report pointed out that we are on the threshold of a new world. Since the report was unanimous, I think it cannot be ignored when considering our external affairs policies, external aid policies, the direction of CIDA, our energy policy. If it means anything at all, then the report must be taken into account by government.

When considering an industrial "policy" and an industrial "strategy"—which I think are two of the most overworked words in Canadian public life—I think it is important to know that the Minister of Industry, Trade and Commerce (Mr. Gray) is examining that recommendation. If it were adopted, the impact on Canadian manufacturing and industry would be imperative, difficult and swift. I do not know to what extent that will happen, but since Parliament has spoken on the matter, it is important that someone respond. We should know what the position of the government is in the short term and in the long term.

The bill is worthy of support, Mr. Speaker. Except for the process, it was worthy of support even when it was a dollar item, but the process got in its way. As a result, we have agreed with respect to this series of legislation to put these bills through quickly. This is one of them. The impact that the plight of some underdeveloped countries can have on anyone, even the most hardshelled, is difficult to express. This bill and the program is designed to permit Canada to do its reasonable share as a citizen of the world.

● (1610)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to thank the minister for his explanation. He certainly made it very clear. I say to the hon. member for Nepean-Carleton (Mr. Baker) that it was a very interesting series of observations which he made and certainly well worth supporting.

In thinking back over the last few years, we have come a long way in Canada in raising the level of public awareness of the value of aid. Thinking back 15 years, I remember the numerous times that I received communications from irate citizens who wanted to know why we were taxing them so heavily and then handing out the money. Over the course of the last few years we have been able to more easily get the message through to people about the tremendous amount of value that we receive from the few dollars we actually ever send outside of the country.

A number of things have happened. Even yet there is still a level of misunderstanding with which we must deal. We really ought to spend more time with the public making them aware of the kinds of conditions that exist in those countries of the world which qualify for aid under this program and a number of others.

I do not think people are aware of the economic conditions and personal hardships faced by so many of their fellow mortals in other parts of the world. The more recent opportunities for travel have tended to broaden the knowledge of Canadians and to soften the hardened attitudes that were evident some years ago. Nevertheless, we still have a lot to do.

In spite of the fact that our economic conditions are not all they might be, I do not think the people of Canada fully understand the very serious economic deprivation which exists in many other parts of the world. When we think of economic hardship, we tend to talk about it in the context of the Canadian experience. We tend to think of economic hardship along the lines of the hardship we might come into contact with on a day-to-day basis. It is only when you go outside the country and travel in other parts of the world that you begin to fully understand the personal problems that exist and what little we do—and it is little compared to what we could do—to try and assist in ameliorating these conditions in other parts of the world. It is money well spent.

If there was a way for the House of Commons to actually pass judgment on the individual expenditures that are put before us, I do not doubt for a moment that there would be a move by a lot of Canadians, and I think the majority, to increase Canada's involvement in areas such as are affected by the IDA fund.

There are some things we have to try to understand. We have to try to get Canadians to appreciate that in giving assistance, we must not attempt to infringe on the distinctiveness of the people's culture, the way in which they develop. We must not attempt to make them like us. It is not a process of trying to make everyone the same, but of trying to assist in the most basic, human way, trying to provide the wherewithal for self-sufficiency in the most basic areas. It is trying to assist in the level of skilled development, trying to improve, as my colleague said, the educational process for people in many other parts of the world so that they can develop a self-sufficiency.

It is not a matter of turning them into Canadians in a different part of the world. It is matter of allowing them to be what they are, assisting them to develop that process so that they will be self-sufficient. Surely it is an attempt to assist them in reducing the amount of health hazard and the problems which continue to exist in their countries, possibly because of bad water supplies or inadequate or immediate access to emergency health care.

I hope Canadians will support this attempt when they see it in the proper context to ensure that those things that we take and have taken for granted for years are available to people in other parts of the world.

We have to guard against the tendency of allowing the assistance we give to be used for exploitation. That tendency is there. No matter how carefully we might speak against allowing that to happen, I have seen evidence of it. I am sure other members of this House of Commons have seen evidence of it as they travelled throughout the world.

Recently I made a visit to an area that might qualify under this aid program. Actually it is not an aid program but could be an aid program. It is subject to repayment. It may take a while, but it is subject to repayment over the long haul.

I was in St. Lucia about eight months ago where I had occasion to meet with the minister there. He took us around the island to show us some of the devastation that had occurred as the result of a hurricane. Living in Canada where hurricanes are an infrequent occurrence, it is hard to imagine how an area can be devastated and how much can be done with a small amount of money.

I recall seeing homes that by Canadian standards were certainly not the most substantial, not the type seen here. Nevertheless they were the homes of the people. These homes had been blown off the face of the earth by this hurricane. I saw banana plantations where considerable sums of money had been spent over the last few years so that the export of bananas could be developed as their main source of income. One fell swoop and away went their income source for at least a year, and probably for two or three years to come.

As I spoke with the prime minister there and the members of his government, I thought of how much we could have done to help relieve the terrible burden those people will have to carry. Instead of devoting quite as much money to advertising in order to praise ourselves for our great efforts, it would be nice if some was spent in bringing to the attention of Canadians those conditions we are attempting to help resolve with what, on balance, are very small sums of money being contributed by each and every Canadian.

• (1620)

I think if we could do that we would find that Canadians would, rather than asking that we reconsider because they are afraid we are spending too much, ask us to reconsider because we are spending too little. I think if they had the facts firmly before them that might be the case.

I want to add a cautionary note. If for no other reason than that it is in our own self-interest to attempt to raise the economic levels of those people, because that will have a spin-off beneficial effect to Canada in years to come if they become "have" rather than "have-not" parts of the world and their consumer purchasing power is increased—if that were the only reason why we were doing it, and I would hope, God, that that is not the only reason, but even for the most mercenary reasons when individuals are looking at the expenditure of some hundreds of millions of dollars over the next period of time, it would be worthwhile.

I want to say to the minister that we are, of course, happy to support this bill. We think that come next year, with no constitutional debate, no oil policy problems, no interest rate problems—I assume all of these things will be behind us—

An hon. Member: That is utopia!

Mr. Deans: The hon. member laughs. Thank God I can make somebody laugh! My constituents are crying. Maybe by next year we will have those things behind us and we will be able to spend a little more time talking about the level of Canadian involvement in the Third World, the level of Canadian involvement not in the North-South dialogue, because dialogue really means nothing, but the process of the North helping to develop the South in a way that will be sustaining. Then maybe come the fall or next spring this minister, together with his colleagues, will be able to spend a bit of time in this House so we can devote a day or two to a real discussion about Canada's role, about what we can afford to do and what the benefits will be both to the receiving nations and also to Canada. I am sure if we could do that you would find, Mr. Minister, through you, Mr. Speaker, that the Canadian public would be most eager to see us raise the level involved.

An hon. Member: What about an east-west dialogue?

Mr. Deans: My colleague from Edmonton says an east-west dialogue might be good. That may be true too, but I would like to think that on this matter the east and west are one, at least in Canada; that there is no argument between east and west as to whether we should be involved in North-South development programs. I do not think we would get any argument here or, if this debate were to take place in western Canada, that there would be any difference of opinion. I think we would all be prepared to commit more to try to create a better place for the people who frankly, right now, if one were to look at the situation, have very little in the way of joy in their lives.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

[*Translation*]

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) ASSISTANCE ACT

MEASURE TO ESTABLISH

Hon. Mark MacGuigan (Secretary of State for External Affairs) moved that Bill C-74, to authorize financial assistance to be provided to certain international financial institutions, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, I wish to table a bill entitled "An act to authorize financial assistance to be provided to certain international financial institutions", authorizing various payments to international development institutions often known as international financial institutions or, in some cases, regional development banks. The ruling brought down by Madam Speaker on June 12 following a point of order concerning the procedural acceptability of certain items contained in the Main Estimates for 1981-82 obliges us to table this bill. Madam Speaker did indeed rule Items L45 and L60 for External Affairs contrary to our rules and regulations.

[*English*]

Section 2 of the act would provide authority to make two types of payments out of the Consolidated Revenue Fund. First, payments in cash of an amount not exceeding $4 million. In fact, the intention is to make only one such payment in fiscal year 1981-82 to the United Nations Common Fund for Commodities. This tranche of $4 million would be the first of three equal payments for the period 1981-82 to 1983-84. The purpose is to support the common fund's second window which will finance measures other than stocking in the field of commodities. The vast majority of benefits from the operations of the fund's second window will flow to the developing countries.

The second type of payment to be authorized under this act involves the issuance, in accordance with terms and conditions approved by the governor in council, of non-interest bearing, non-negotiable demand notes to international financial institutions. The form of these demand notes would be determined by the Minister of Finance (Mr. MacEachen) in line with the Financial Administration Act. It is a long-standing practice to make payments to the regional development banks by way of demand notes since they do not require all of the cash at the time of payment. Rather, the cash is needed over a period of up to ten years as the banks make project commitments and actual expenditures are incurred in developing countries. It is with this in mind that encashment schedules for these notes are drawn up and agreed between the international financial institutions and Canada.

● (1630)

As the House will note, clause 2 of this legislation envisages in fiscal year 1981-82 the issuance of non-negotiable demand notes not exceeding in the aggregate $121.2 million. This consists of the following components: first, an amount of $3.5 million for the Caribbean Development Bank's special development fund. This is the last of three tranches to fulfil a Canadian commitment of $10.5 million for the period 1979-80 to 1981-82. Second, a payment of $30 million to the African Development Fund. This is the third and last instalment totalling $85 million over the period 1979-80 to 1981-82. Third, a payment of $56.7 million to the Asian Development Fund. This is the third of four instalments which total $193.4 million for 1979-80 to 1982-83. Fourth, a payment of $17 million to the fund for special operations of the Inter-American Development Bank. This is the third of four payments toward a commitment of $58.1 million in U.S. funds over the years 1979-80 to 1982-83. Fifth, an amount of $14 million for the International Fund for Agricultural Development as the first of three instalments totalling $42 million.

The third clause of this bill deals with the matter of the previously issued non-interest bearing, non-negotiable demand notes referred to earlier. The issuance of these notes in previous years would be ratified and confirmed by this bill. The encashment schedules for the various international financial institutions indicate that an amount of some $19.3 million would be drawn down in the course of fiscal year 1981-82.

[*Translation*]

Clause 4 of the bill would authorize Canada to make an initial subscription for shares of the African Development Bank. Though we have been financing, for some years already, the African Development Fund, its preferential aid mechanism, the Bank decided recently that the considerable development needs of the continent would require a far greater contribution in resources. Accordingly, the African Development Bank will accept in its ranks not only the countries of the area but also countries such as Canada and other donors of the OECD. In view of our active role with both anglophone and francophone countries in Africa, I shall be particularly happy to see Canada sit as a member of the African Development Bank.

[*English*]

Our share in the African Development Bank will be 3.2 per cent of the expanded capital stock. This legislation provides for the purchase of 4,200 paid-in shares over five years as well as 12,600 callable shares. These shares are valued in aggregate at 168 million units of account, for approximately $240 million Canadian. Of this amount only 25 per cent will be paid in; that is approximately $60 million over five years. We will be utilizing the usual method for payments to the African Development Bank.

The fifth and last clause of this legislation conveys authority to issue to the bank this year non-negotiable demand notes equivalent in aggregate to 8.4 million units of account, which equals approximately $12 million Canadian.

In conclusion, for the information of hon. members I would like to add that in fiscal year 1981-82 the sum of $31.3 million will be paid out of the Consolidated Revenue Fund for the encashment of notes previously issued. Authority exists under

section 45 of the Financial Administration Act for these payments.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I welcome this opportunity to say a few words about Bill C-74, to authorize financial assistance to be provided to certain international financial institutions, but in doing so I wish to point out one of the incongruities which exists as far as this bill is concerned and as far as the previous bill, Bill C-71, which we were debating, is concerned. That bill, which was to amend the International Development Association Act, and this one, which authorizes financial assistance to certain international financial institutions, both deal with the funding available from Canadian public funds to international financial institutions.

This certainly was an issue I tried to tackle during the time I held the office of Secretary of State for External Affairs, and it is one which I hope the present minister is trying to regularize in trying to bring these two advances through international financial institutions under the aegis of the Department of External Affairs where they both belong. Then the amount of foreign aid and foreign developmental assistance—it goes beyond aid to include developmental assistance as well—will be channelled through one agency or department and not fractionalized between two departments, so that a true and concise picture of our over-all program is given in what we are doing in the field of financial assistance through international institutions to countries of the Third World.

I see the minister is nodding. I hope he is carrying on that effort to try to bring the International Development Association Act, IDAA, under the jurisdiction of his department. In fact, when we get into Committee of the Whole on this bill, I would like to put that question to the minister, and I will welcome any comment he has to make about it. I am reminded by my House leader that the minister also has the opportunity to comment on this when he closes the debate.

This bill has been placed before us, not primarily because of the initiative the government has taken in this regard, but because it came about through my party's prompting through the efforts of the hon. member for Calgary Centre (Mr. Andre) and the ruling of the Chair on June 12. If neither of those two actions had been taken, these items in Bill C-74 might have slipped by the House under the guise of votes L45 and L60 of the Department of External Affairs.

The thought that that might very well have happened if Her Majesty's Loyal Opposition had not been on its toes has very serious implications for the parliamentary system, for it touches on what Michael Valpy of *The Globe and Mail* last week called, and I quote: "the heart of parliamentary democracy, the central issue of how much scrutiny Parliament should have over what government does".

It is not by chance that there are procedural differences between approving estimates on the one hand and enacting legislation on the other. The first action funds the status quo, while the second action changes it. The difference is a very fundamental one. To confuse the difference by bypassing one process through using another, quicker method surely only serves to undermine parliamentary responsibility.

• (1640)

This is what we are returning to by debating these bills today. We are giving authority to enact changes in legislation, which is Parliament's responsibility, and I am glad to see this being carried out. To bring in what should be statutory change by the process set up for fund appropriation allows government to step into programs and enter new areas without the proper debate such government initiatives warrant.

Two such initiatives were votes L-45 and L-60 of the external affairs estimates. These are now transferred to Bill C-74. In Madam Speaker's words found on page 10546 of *Hansard*, what those votes sought to achieve was:

> —to finance international development by the use of issuing demand notes to the credit of the various named banks or institutions upon which they may draw in the Bank of Canada, or to purchase shares in the listed banks.

Those votes did not seek merely the simple appropriation of funds, but sought the legislative authority to incur Crown debts without parliamentary approval. The process we are now involved in corrects that major oversight.

Having said this, I want to indicate my party's support for the measure before us. Bill C-74 initially represents $137 million in Canadian investments and advances to financial institutions for international development. It means that the Caribbean Development Bank, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank, and the International Fund for Agricultural Development can now draw on Canadian government funds for additional contributions totalling some $121 million.

All these contributions are in the nature of advances and are thus repayable after a specified period of time. All items involve non-interest bearing, non-negotiable demand notes to be encashed at a later date. It is appropriate that Canadian contributions should be made through the regional development banks of the areas concerned. I want to re-emphasize that point, Mr. Speaker, that Canadian contributions should be made through the regional development banks of the areas concerned. The regional development bank is an institution which has been developing in the last number of years and has been carrying out a tremendous amount of good work, empowered as it is by funds from the wealthier countries of the world. That, sir, is as it should be.

However, in addition to the $121 million to be put into these regional development banks, some $12 million will go to buying shares in the African Development Bank. This is quite a new procedure. The African Development Bank, like the other regional development banks, is a significant force in the development activities of Africa. It was set up in 1964 by the United Nations Commission for Africa. Since it first began its operations in 1966 it has had significant success, and those who have followed its development will see what it has meant to countries throughout Africa, particularly the poorest parts. With an authorized capital of $1,052 million U.S., subscribed capital of $930 million, and paid-up capital of $295 million, it

has been able to assist needy African countries with readily obtainable loans for development projects.

Until 1978 capital stock in that bank could only be held by African countries. This policy is being changed and the $12 million requested in Bill C-74 is in anticipation of that change being completed this year. Non-African countries will then be able to buy into the capital stock of the bank. This is the reason why one cannot find this expenditure in last year's estimates and why this item has been considered by the Speaker as governmental action and not simple fund appropriation. The government is authorizing the investment of money where it has never invested before. It is moving into an area where it has never taken action before.

If this item had gone through under the estimates then it would have set a precedent, in that all future investments in the African Development Bank would be votable items. Parliamentary authority would clearly have been circumvented in that case.

Bill C-74 represents $137 million in advances and investments by the Canadian government towards international development. That, sir, is 89 per cent of total CIDA contributions to international financial institutions for 1981-82. That is not 89 per cent of total CIDA contributions, but 89 per cent of the contributions which CIDA makes through international financial institutions.

Now, Sir, this is the kind of massive commitment that deserves the attention of the House, not necessarily to find fault with it because this specific financial disbursement indeed has merit. Rather, the House needs to consider this kind of massive investment and commitment so that Parliament and Canada can have a clearer idea of the direction the government is taking in international development.

We are now without an aid strategy. The 1975-1980 strategy paper has had no successor. It expired last year and there has been nothing to take its place. How are we supposed to determine what the long-term and comprehensive implication of the government's aid initiatives are if we cannot debate and scrutinize such issues, if they are not brought before the House as they should be through legislation?

Bill C-74, as the minister has explained and as I have mentioned, deals with financial commitments to certain international development banks and funds. As such it affects the division between multilateral and bilateral assistance. This is a very important aspect of our overall aid program: What weight will be given to multilateral programs and what weight will be given to bilateral programs? This determination should not be made in an ad hoc fashion. Rather, it should be part of a concrete, long-term program, one that is comprehensive, well thought out and will place our aid where it is most needed. In other words, where it will do the most good.

Such a comprehensive program was offered by the North-South task force report, the broad thrust of which the government has accepted. However, broad approval is not enough and I have brought that to the minister's attention in the House. What we need is a detailed strategy similar to the 1975-1980 strategy for international development. We could then at least measure the government's progress in this critical field.

Such a strategy should be based upon the recommendations of the North-South task force report and I think should rely on two fundamental beliefs. The first is the need for continuing and direct assistance to the very poorest countries in the world through Canadian developmental funds to countries which are becoming progressively poorer because of escalating oil costs and world-wide inflation. This should be the initial basis upon which we base our oil strategy.

● (1650)

The second basis on which to plan our development assistance to other nations is the need to enter into modern trading and financial relationships with the newly industrialized countries of the Third World so that they can consolidate the hard-won gains they have already achieved.

The bill before us today provides for certain borrowing by regional development banks of Canadian funds. I have said that my party approves of this measure, but I say to the minister how much more we would welcome the presentation by the government of a comprehensive developmental aid strategy for the decade of the 1980s.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Kingston and the Islands (Miss MacDonald) has pointed out, Bill C-74 is in effect a companion piece to Bill C-71. Just as we supported Bill C-71 we shall also support Bill C-74.

I should like to refer again to a remark made by the hon. member for Kingston and the Islands by saying that we also agree that these developmental programs, in which Canada, we hope, will become more increasingly involved, ought to be within the confines of one department instead of fractionalized as they are at the present time. I realize that what happened is that some time ago the International Development Association Act was enacted. Therefore, any money that is sought under that legislation has to come by way of amendment to that act. But when it comes to international development assistance, since we do not already have an act of that description it is possible for the government to bring in a new one and to put it where it belongs, under the aegis of the Secretary of State for External Affairs (Mr. MacGuigan). Things that are under the aegis of the Minister of Finance (Mr. MacEachen) have a tougher time than they do when they are under the responsibility of a minister interested in the subject itself.

I should also like to comment, as others have, on the reason we are dealing with these bills, which goes back to the ruling made by Madam Speaker regarding certain items in the estimates. If the hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for Kingston and the Islands will forgive me, I should like to make a slight correction in the way they described these matters. They both referred to them as dollar items which the Speaker ruled out. In some cases they

are dollar items, but in some cases they are items of quite substantial sums. In fact, one of the items before us right now is for $4 million. That is a lot more than a dollar. In other words, Madam Speaker in her ruling, in response to the points raised by the hon. member for Calgary Centre (Mr. Andre), said that it is not only improper to try to legislate by dollar items, but that it was also improper to try to arrange for the spending of large sums of money on conditions set out in an item in the estimates, which is, in effect, an attempt to use the estimates for the legislative process. I pay my respects to the hon. member for Calgary Centre for having raised these issues two or three times and having obtained the decision of Madam Speaker in this session.

I trust the concerned department will not make it necessary for us to go through this again in another session. I hope they will realize by amendments to existing acts or by the bringing in of new acts. We welcome the fact that we are doing it properly now, and just as the Official Opposition has said, we take the same position, that it is not our desire to drag out the discussion on these matters. We are glad to have the opportunity to deal with them in the right way. Mind you, it is easier for us to say that when it is something we really support.

That is the position in which we find ourselves with respect to both Bill C-71 and Bill C-74. We are strongly and wholly in favour of Canada enlarging her role in aid to the other parts of the world, but it is more than that, in playing our part in helping to bring about a better world right around the globe.

We have all been told thousands of times about the remark of Sir Wilfrid Laurier to the effect that the twentieth century would belong to Canada. I think the time has come for us to realize that the twenty-first century had better belong to humanity as a whole, or else there might not be a twenty-second century.

We can no longer go on with a world in which a quarter or a third of its people go to bed hungry every night. These are facts we have come to realize, and there has been some tremendous rhetoric about this right here in the House of Commons in this session. There was no better speech on the need for our being concerned in the North about the South, or in the better-off parts of the world for the other parts, than the speech made by the Prime Minister (Mr. Trudeau) a few weeks ago. But the point we are trying to make from this side of the House this afternoon is that rhetoric is not enough.

We are happy to support the proposals in Bill C-71 and Bill C-74. We think that Canada's financial contribution, whether it is through developmental loans or outright aid and outright gifts, should be increased. But we think we must go a great deal further than that. In other words, we think we have to start planning our industrial strategy—another pair of words that gets thrown around a fair deal. We have to start planning our economy, not just with the thought of what it does for ourselves, for housing, health, education and so on in our country, but the part that it plays in bringing about improved living conditions around the world.

I have already indulged in quoting a few of the stock quotations there are around, but there is another one which comes to my mind, namely, that if you find a hungry man and you give him a fish, you provide a meal for him; but if you teach him how to fish, you provide meals down the road. Our industrial strategy, our economy, our trade, all our arrangements, at some point have to be made with the whole world in mind. We must start thinking in those terms.

Of course, we are quite interested in the Ottawa Summit Conference which will take place here in this city in a couple of weeks. We applaud the efforts of the Prime Minister to get some of the other heads of government who will be at that conference to show some real interest in North-South problems. We urge that he put everything he can into that effort. These conferences always end up with communiques of some sort. They sound good or make it appear as though they did something, but it really is something which has gone beyond the stage of speech-making or rhetoric. If we are to have a world that enjoys the twenty-first century, we must start thinking in terms of industrial strategy, trade, finance, economics and the rest of it, with a view to bringing about a really better world.

• (1700)

I notice it is five o'clock here in Ottawa and that means it is two o'clock in British Columbia. Out there this afternoon a funeral service is taking place about which Canadians right across this land are thinking. I was pleased when I noticed that the heading put on the tributes paid the other day to Terry Fox read "Tributes to a Magnificent Canadian". I suggest one of the reasons that Canadians are so anxious to pay the deepest respect and the deepest tribute they can to the memory of Terry Fox is that it tells us our young people really have got something. Terry Fox showed us that.

But I remind the House there are others. I think of the countless numbers of young Canadians who respond to the call of CUSO and who have gone out to other parts of the world to try to help bring about better conditions in Southeast Asia, Africa, South America and in various other countries. I think of other kinds of organizations under church auspices and under the auspices of non-governmental organizations, and so on. These attract our young people, who are sometimes described as belonging to the "me" generation. They have got pretty good stuff in them.

I think we should recognize that there is no longer any need to say that charity has to begin at home or to ask why do we tax people to help those abroad? I believe the young people today who will be taking charge of things in Canada not many years hence want to play their part in building that better world. In my younger days that was expressed by joining the various missionary movements and in going to different parts of the world. For a time it was to go as propagandists for a particular faith. That soon grew into the provision of teachers and agricultural experts, engineers and doctors, most of whom two or three generations ago went out to other parts of the world under religious auspices; but the feeling we are our brother's keeper was there in those days and it is there now.

I am satisfied that just as we are honouring the memory of a magnificent Canadian out in Port Coquitlam this afternoon so too can we count on our young people today wanting us to play our part in changing the whole world from a place where millions go to bed hungry every night to a place where there are opportunities for development and a decent life in terms of jobs, education, health and security. We can do it. That is what we are talking about this afternoon.

That is why we are prepared to support these two bills. But we call upon the government in the not too distant future to come back before us with something much more expansive and imaginative. For indeed, just as the twentieth century did provide a lot for us in Canada, so the twenty-first must bring about a better world for all our people, and we Canadians want to play a real and effective part in that role.

Mr. MacGuigan: Mr. Speaker, to conclude, I might say a few words in response to those said by speakers for the other parties, both of whom I thank for supporting this bill.

The hon. member for Kingston and the Islands (Miss MacDonald) spoke at the beginning of her remarks about the question of jurisdiction over international financial institutions. I might say that the sentiments she expressed are very similar to my own, and I think I can say that I am meeting equal success within the government in implementing them.

I think I should add that it is not essential by any means for the success of our international aid program that it all be centralized through one agency. For instance, Petro-Canada International agency, which is being set up, will be jointly under the sponsorship of the Minister of Energy, Mines and Resources (Mr. Lalonde) and myself. I anticipate no difficulty in arranging the details of that with him. I think there is a lot to be said for involving more people, not only more of our fellow citizens but even more ministers, in the administration of these programs.

Both speakers opposite have raised questions about our development strategy for the 1980s which in part has been revealed. There is more to come and we hope to have it available in a few months.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

ATLANTIC REGION FREIGHT ASSISTANCE ACT

AMENDMENT RESPECTING ASSISTANCE TO TRUCKERS

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-73, to amend the Atlantic Region Freight Assistance Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, I have some rather good notes and I will try to put them on the record for whoever in Canada is interested in this matter and for students of freight rates in particular.

Mr. Knowles: Aren't you interested?

Mr. Pepin: Yes, I am deeply interested.

• (1710)

The Maritime Freight Rates Act, referred to from now on as the MFRA, and the Atlantic Region Freight Assistance Act, to which I will refer as the ARFAA, together provide for a program of transportation subsidies in the Atlantic provinces and the Gaspé peninsula. Total expenditures under this program amounted to about $62.6 million in 1980-81. The MFRA has been in existence since 1927 and applies only to rail traffic. The ARFAA was passed in 1969 and extends the subsidy program to truckers.

To complicate matters a little bit, the ARFAA also contains features which link the two acts and are designed to control those features and the level of subsidy expenditures. For one, the rail subsidy on certain commodities can be reduced or eliminated. As a matter of fact, it has been reduced, for example, from 20 per cent to 15 per cent. There can be a reduction of the rate of subsidy. That is one feature. Another one is that the amount of subsidy paid annually to truckers cannot exceed the amount saved by reducing or eliminating the rail subsidy. The ceiling is established under section 6(2) of the act. That ceiling is the subject for today.

However, after the ARFAA came into effect, I repeat in 1969, the rail subsidy was not reduced as much as planned. Things did not turn out exactly as they were meant to turn out. The number of truckers eligible for subsidy under the ARFAA grew dramatically. Just to give Your Honour an illustration, in 1969 there were 450 truckers in the area. In 1980, we had 3,800. Obviously, because of the highway strengthening programs and other factors, the number of shippers using trucks in the area multiplied extraordinarily. The result was that, if the ceiling were applied, truckers would get proportionately less than the railways, creating an inequity between two modes, which the ARFAA was designed, in principle, to redress.

I might add that somewhere in the meantime, in 1967, we had the National Transportation Act, which specifically says that there should not be discrimination between different modes of transportation.

In some ways, that ceiling on trucking subsidies, related to the subsidy reduction on railways, was discrimination against

the truckers in favour of the railways. I am saying all that to try somehow to justify why the practice to ignore the ceiling was established. It therefore became the practice from 1971-72 to include an item in the estimates which, in fact, removed that ceiling. It is included in the old estimates in the following words:

—and to provide that subsection 6(2) of the Atlantic Region Freight Assistance Act shall not apply in the case of the payment of assistance in the current fiscal year to truckers pursuant to subsection 6(1) of that Act.

These were the words tagged at the end of that estimate which had the effect of removing the ceiling for practical purposes.

It is estimated that in 1981-82 the savings from the reduction in the rail subsidy will be about $14 million. This is the saving which establishes a relationship between the truckers and the railways. I repeat that it will be about $14 million. The amount which would be paid to truckers without the ceiling is about $43 million. So there is a potential $29 million shortfall in the amount of subsidies paid if the ceiling is enforced. In other words, it costs $29 million not to enforce the ceiling.

As I have already indicated, it was the practice to remove the statutory ceiling through the estimates, and that practice was ruled out by the Speaker recently. Bill C-73, which is in front of us now, has the effect of removing the ceiling by proper statutory means so that the trucking subsidy can continue to be paid in full. Recipients who have invested on the basis of a continued subsidy could reasonably argue that its abrupt termination without advance notice of a change in policy would be unduly harsh.

This bill notwithstanding, the program as a whole is under review. I am quite sure the hon. member for Vegreville (Mr. Mazankowski) also looked at it. Some people wonder if there would not be savings to be made there without damaging the economy of the region covered by these two acts. Officials are now carefully studying the possibility of further selective reductions in order to reduce expenditures without detracting, as I said, from the purpose of the program, which is to assist the transportation of goods in the Atlantic provinces and the Gaspé peninsula. At present, the program as a whole is believed to be beneficial to the area, and any substantial change would, of course, be preceded by full consultation.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, at the outset, I would like to thank the hon. minister for giving us an explanation of the details of this bill I suppose that that is certainly one positive element to this process, getting an explanation and some historic background to the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act.

We on this side have no fundamental objection to this piece of legislation. However, what we do object to is the procedure which has become the practice of this government in terms of dealing with a matter which should be properly dealt with in legislation in the first place.

As the hon. Minister of Transport (Mr. Pepin) indicated, the purpose of this bill and the purpose of vote 110 was to remove the ceiling which would allow the truckers to get sufficient subsidy to provide equality in treatment to the two competing modes of transportation. I know that there are people in this House who would object to a provision which would provide for unfair treatment between two respective modes of transport; and they are competing modes.

However, it brings me to the over-all thrust of the debate on these pieces of legislation, the series of bills with which we are dealing as a result of the work and the scrutiny of the hon. member for Calgary Centre (Mr. Andre). It is really a classic demonstration of how this government continues, in a very blatant way, to erode the rights, the privileges and the powers of Parliament. This is not the first time that this government has been caught using methods which are less than legitimate. It has really become almost a chronic rule-breaker when it comes to avoiding and circumventing the parliamentary process.

I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) will allude to this in more detail than I; but the rights and privileges of members of Parliament have been eroded. Indeed, the institution of Parliament has been undermined over the years in its ability to control public expenditures. By the way in which we handle our estimates, it seems to have become nothing more than a rubber stamp. At this time it is necessary to build confidence and trust in our Canadian institutions, particularly our political and parliamentary institutions. It certainly bothers me to see a government move continuously and incessantly along the road toward that undermining process. I think that it is fundamentally repugnant to the principle of parliamentary democracy. Once again, I think that we, as members of this House, and certainly as members of the Canadian electorate who support the continued strength of the parliamentary process, owe a great deal of debt and gratitude to the hon. member for Calgary Centre.

• (1720)

Not too long ago a former auditor general stated in one of his annual reports that Parliament had lost or was close to losing control of the public purse. In view of these backhanded strategies, it is little wonder that he made that remark. Indeed, it is little wonder that Canadians, by and large, are suspicious of the way we deal with taxpayers' money. We are really trustees of their money. We are the guardians of the public purse.

I welcome this piece of legislation, Mr. Speaker, and I welcome the fact that equality of treatment is maintained. We are not opposed to the expenditure but, I repeat, we are fundamentally opposed to the process. It is the duty of Parliament to pass laws; Parliament is responsible for the authorization of expenditure and for the collection of moneys.

We see in Madam Speaker's ruling that vote 110 sought an amendment to existing legislation, which was clearly out of order. We have other examples of that when we look at what is going on with respect to the establishment of VIA Rail. That is

a question that must come up for debate in due course in this House.

I am very interested in the exchange that has been going on between the Minister of Transport (Mr. Pepin) and the co-chairmen of the Standing Joint Committee on Regulations and Other Statutory Instruments.

I hope that the hon. member for Winnipeg North Centre is listening because, as he pointed out quite correctly, what we are dealing with here are not dollar items but items that were included in the Main Estimates. VIA Rail, which has become the instrument for the operation and maintenance and supply of rail passenger service in this country, was established through the process of a one-dollar vote in the House of Commons. In the *Votes and Proceedings* for June 15, 1981 this is dealt with at page 2464.

I realize, Mr. Speaker, that I am deviating somewhat from the thrust of the bill but we are dealing with the fundamental parliamentary principle that this House should consider legislation, expenditures and the collection of revenue in a proper and just manner.

The committee had four objections to the way in which VIA Rail was established. The committee reported, at page 2464, of *Votes and Proceedings*, as follows:

> VIA Rail Canada Inc. has been established and set up in business—and in consequence almost all the railway passenger services of the country have been brought into government ownership, control and funding—pursuant to an involved use of subordinate powers, a dollar vote in an Appropriation Act and the three slim regulations under report. At no time has Parliament had the opportunity to debate and to settle what are very significant matters.

I am directing this criticism to the government, Mr. Speaker, and not to the Minister of Transport because he was not a member of cabinet at that time. Knowing the integrity and honour of the minister, I am sure that if he had been minister at that time he would not have circumvented the parliamentary process. At page 2465 of *Votes and Proceedings* there appears the following:

> The whole authority for public funding of the VIA Rail operation and its takeover of railway passenger services provided by railway companies rests in the dollar vote, vote 52d, Department of Transport, Appropriation Act No. 1, 1977, which reads as follows:

Then it basically describes the manner in which the company is to be set up under the provision of a one dollar vote. Then there appears the following passage:

> Upon this foundation hangs now all the law and the administration of almost all railway passenger services in Canada.

What a devious way to create a Crown corporation which is all-encompassing! The committee report goes on at page 2467 as follows:

> In your committee's judgment, the settling of the legal regime to govern the now publicly owned, controlled and funded railway passenger service is too important a matter to be left to the corporate policy, and virtually unlimited corporate powers, of VIA Rail Canada Inc., a corporation wholly owned by the Crown, and to skeletal regulations made under a dollar vote which in the nature of procedure in the House of Commons cannot have been subjected to significant debate. Parliament should have been, and still should be, given the opportunity to debate the future and structure of railway passenger services in Canada and the manner of their management and control; and your committee is inclined to believe that this should include the maintenance of the jurisdiction of the Canadian Transport Commission over VIA Rail Canada. As things stand now, even if a bill to regulate railway passenger services and VIA Rail Canada Inc. were to be introduced, many important matters have been effectively foreclosed from Parliament's debate and disposition by the extensive and pre-emptive executive action that has already been taken. It is objectionable in principle that relationships between the new public railway passenger authority and the railway commpanies, and the take-over of services, should have been settled without parliamentary involvement.

Those are very profound words, Mr. Speaker. It is interesting to note that the minister, who is now attempting to reduce the level of subsidy, is really choosing the course to which this committee takes very serious objection. The government is now attempting to circumvent the regulatory party, the CTC, by deciding, through cabinet deliberations, which lines will provide service and which will be abandoned. That is fundamentally repugnant to the principle of parliamentary democracy.

The committee then quoted from the proceedings of an earlier committee, reported at page 2467 as follows:

> "In the review of statutory instruments the Committee has been struck by the number of instances of the use of Votes in Appropriation Acts as vehicles for the conferring of subordinate law-making powers, usually upon the governor in council. From 1st January 1972 to 30th June 1976 at least one hundred and four items of delegated legislation have to the knowledge of the Committee, been made pursuant to Votes. (The task of adding up the number is not easy since spent regulations are removed from the Index to Part II of *The Canada Gazette* at the end of each calendar year in which their effect became spent.) The committee fears that many, many more examples exist which have not been classed by the Crown's legal advisers as statutory instruments and of the existence of which the committee has neither knowledge nor the means of knowledge."

There follows a very damning indictment of the process that has been used by this government to circumvent parliamentary control.

Now I come to the Minister of Transport, Mr. Speaker. There has been a continuing exchange of correspondence between the co-chairmen of the committee and the minister, beginning in June, 1980. The co-chairmen asked the minister to bring in a bill to provide for the incorporation of VIA Rail. In August, 1980 the minister responded that he anticipated a cabinet decision on the issue would be available by the end of September, 1980. In November, 1980 a letter was addressed to the minister asking what progress had been made. I quote in part from the letter, which appears at page 2470 as follows:

> We were instructed to ask whether the Cabinet decision to which you referred has been taken and when you will respond to the committee's position on the need for the introduction of a VIA Rail Canada bill.

On January 12, 1981, the minister replied in part, as follows:

> I expect the matter to be discussed early in the new year. Once a decision has been reached, I will advise your Committee on the requirement for a VIA Rail Canada bill.

● (1730)

It was dated January 12, 1981. Then we have further correspondence. The final letter reported here indicates that a decision is not available and furthermore it is considered that the VIA Rail act is not needed.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has no objection to the hon. member's reference to the process

of dollar items and so on and so forth. However, there is difficulty for any occupant of the Chair in judging whether the subject matter becomes the process or the subject matter, which in this case is the Atlantic Region Freight Assistance Act. I think it is reasonable to ask the hon. member, having said he is perfectly entitled to pursue the matter of process, and estimates and so forth, to consider the Atlantic Region Freight Assistance Act.

Mr. Mazankowski: I appreciate your suggestion, Mr. Speaker. The issue I am dealing with is fundamental from the parliamentary point of view. The crux of this matter has been brought about by the government's decision to circumvent the proper parliamentary process. I simply want to point out there are other examples.

As I said at the outset, we on this side have no objection to the contents of this bill. We appreciate the fact that we have had an opportunity to have a short debate and a review of the subject matter of the bill. However, I must warn the minister. I am pleased that the President of the Privy Council (Mr. Pinard) is here. I am sure that he too will want to take cognizance of the contents of the report of the Committee on Regulations and other Statutory Instruments. I believe he wants to see the business of this House proceed in a proper, orderly and legal fashion.

I could go on to cite the other example, the anticipated abandonment of certain rail lines, which appears to be proceeding in the same manner as the process to which we are taking exception here. At a time when our parliamentary institutions are under attack, it is incumbent upon the government to ensure that it proceeds in a proper parliamentary fashion.

With regard to the matter of expenditure of funds, whether it is for legitimate and good purpose or provokes some questions in debate, it is important that the adjudication of those issues be left to members of Parliament. The power should be transferred back to the elected representatives, the members of Parliament, so that they can properly debate the issues.

The debate this afternoon has provided information. It gives members an opportunity to review and assess the effectiveness of a given program. If we have done nothing further, we have had the opportunity to assess and analyse one program that has been in effect since 1927 and another since 1969. Had the minister realized he was going to have to bring in legislation to deal with that issue, he may have seen fit to broaden the legislation so that we could have had a debate on the pros and cons and determined ways and means by which the program may be instituted more effectively, in other words transforming the impact of that program to meet the needs and challenges of the 1980s rather than the 1920s.

I appreciate your tolerance, Mr. Speaker. I realize I have transcended the rules of relevance to some extent. Nevertheless, I feel very strongly about this issue. It is very fundamental and important. If nothing else, I hope that the series of debates that have been created as a result of the deliberations on these very important bills will give us the opportunity to look at some reform in the legislative process and the whole process of dealing with legislation. We could do it in such a way that the programs that are in effect can be applied to modern day realities and perhaps be more relevant and effective. In the process, the role and the power of the elected representatives will be strengthened.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker—

Mr. Knowles: Hear, hear!

Mr. Deans: How could I get by without him? I have the whole caucus in front of me.

I will be very brief. I join with the hon. member for Vegreville (Mr. Mazankowski) in saying how important the debates have been this afternoon from an educational point of view. If more members had been here, they would perhaps better understand what some of us have been complaining about over the course of the last few months in terms of the process that we go through from time to time. For example, one evening not quite a month ago when dealing with another piece of legislation, I raised the matter of the lack of control which the House of Commons now has over the expenditures of government. The process has so changed since the day Parliament was established that it is now virtually impossible for the average member outside of cabinet to have any real input into the determination of government expenditure.

For that reason alone what we have been doing this afternoon is of considerable value. Maybe for the first time in some years the government, as it is made up of cabinet members, understands there is an additional responsibility to come before the House of Commons and adequately explain the reasons for and the methods to be used in distributing taxpayers' dollars which are often raised over the anguish and sometimes the screams of the taxpayers.

I thank the minister for his explanation of the bill. The purpose of the bill is to do properly what we have been doing quite improperly for some years. It is to put in proper form what was being done without proper legislative authority having been passed by the House of Commons. If we were to sit down at some point in time with the Chair and others and look at the procedures we follow in the House of Commons, that is what we would find.

The Acting Speaker (Mr. Blaker): Order, please. I indicated earlier to the hon. member for Vegreville that the Chair had a great deal of sympathy for the proposition that the process of legislation, whether it be in terms of the estimates or the normal process of legislation, seems to be in order. I respect the fact that the hon. member for Hamilton Mountain appears to want to continue the discussion on the process. I have to say to him the same as I said to the hon. member for Vegreville. It is a legitimate consideration procedurally for the hon. member to consider that subject, but he does need, under the terms of the requirement of relevance, to tie it to the act to amend the Atlantic Region Freight Assistance Act. If I may, I should like to ask him to consider that.

• (1740)

Mr. Deans: Thank you very much. I appreciate that intervention, mainly because I was just about to end in any event. I was going to end up by saying that I think, having gone through this process, having had the explanation from the minister and having obtained a much clearer understanding of the purpose of the section within the estimates that authorize, at least in the mind of the government, these expenditures in excess of what was approved, many of us will want to take a much closer look in future at the exact wording of what is placed before us. It may well be, I say in closing, that someday we will have the opportunity to take a look at the way in which legislation is put before the House of Commons; this kind of legislation as well as other legislation. Perhaps we will take a look at the processes and procedures to be used and we might even be able to modernize them. We have done a lot of work this afternoon because there has been a great deal of co-operation. It may well be that with a little more openness and understanding, we can get this co-operation more frequently and do a lot more work here.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING INCREASE IN ADVANCE PAYMENTS LIMIT

Hon. Paul J. Cosgrove (Minister of Public Works) moved that Bill C-72, to amend the National Housing Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, there are two clauses to the bill. They are very brief and touch upon two operations of the Canada Mortgage and Housing Corporation, and also implement two very important programs of the National Housing Act. I might say, they are well received in Canada from coast to coast.

The two sections of the National Housing Act involved are Section 34.14(2) which concerns the Residential Rehabilitation Assistance Program, referred to as RRAP, and Section 40(5) which has to do with the production of low rental housing and the acquisition and development of land for housing purposes under federal-provincial agreements. Those are in essence the two clauses: clause 1 dealing with the RRAP program and clause 2 dealing with assisted rental.

Dealing with the first clause, the legislation now provides that the total amount of loans made by the corporation for the purposes of RRAP may not exceed $100 million unless authorized by Parliament. As rehabilitation costs and loan limits have increased over the years, and greater numbers of people have participated, the corporation has had to increase its borrowing in order to continue to finance the program on the government's behalf.

The borrowing limit has been increased over the years by a vote under this estimates. Increases authorized in this way have raised the limit from $100 million to $170 million. Vote L70 in the 1981-82 estimates would have increased the limit by another $59.8 million to a total of $230.5 million, which is the figure in clause 1 of Bill C-72 before us.

In generally describing the program and the increase, I should like to say that scarcely does a day go by that I do not have a request from a member of this House, whether from the government side or from parties opposite. The program is popular and obviously serves a need in the community, as witnessed by the demand. It addresses an aspect of housing which, I think, will take on more significance in the future, that is the repair, maintenance and upkeep of existing stock rather than the direction of new starts in housing which we have witnessed at quite a remarkable strength through the last 20 or 30 years.

The situation regarding Section 40(5), and that relates to the second clause, is similar. The National Housing Act imposes a limit of $150 million on advances obtained by the corporation for meeting its share of the capital cost of federal-provincial housing projects. Over the years, by means of a vote under estimates, this limit has been increased from $150 million to almost $1.4 billion. I think that figure illustrates the need met by such a program under agreements, in co-operation and in conjunction with provincial governments.

I think I should suggest to those people who complain that this government does not have a commitment to assist Canadians with housing that they should well consider that this program is one of the most worth-while programs, although, needless to say, it is very expensive at the rate of $1.4 billion. Although the public housing program is no longer active in all provinces, the section of the act is applied to supporting rural and native housing programs and servicing of lands held by the federal-provincial partnership prior to their sale. Mainly for these reasons the Canada Mortgage and Housing Corporation sought in the 1981-82 estimates to increase the limits on its borrowings by a further $112.5 million to a total of just over $1.5 billion. Clause 2(*a*) of Bill C-72 before us specifies the amount of $1,504,500,000.

In conclusion I would like to say, as I began, that these are two very important programs of the Canada Mortgage and Housing Corporation. They illustrate and demonstrate the commitment of the government to continued responsibility in housing, and I know that the programs are supported by all members in this House. Otherwise we would not be asking for the increases I have referred to. Thank you, Mr. Speaker.

• (1750)

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I am pleased to rise and address a few remarks to the bill. I will endeavour to make my remarks relevant. I am sure Your Honour will appreciate that in supporting the bill and in making reference to the increase asked for, some of my remarks and suggestions may tend to be a little irrelevant.

However, I want to explain to the House why we are supporting the bill.

The bill is divided into two main parts. The first deals with the Residential Rehabilitation Assistance Program and the second with public housing.

I listened with great interest to the remarks of the minister. He made reference to requests from all sides of the House for assistance to the public with respect to housing. I appreciate that the requests from his side of the House must be as numerous and worthwhile as those from this side, and I appreciate that the government is paying lip service, in any event, by raising ceilings to a commitment to public housing. However, I would like to say to the minister that the raising of a ceiling does not indicate commitment. What matters is what is done, within the limits this House approves—with the programs the government will bring forward in addition to the current very worth-while programs, to substantiate the spending of money. It is not exactly raising the ceiling but what is supporting the ceiling that hon. members on this side of the House are interested in.

I and others in this House have been very critical of the government with respect to the chaos in the housing sector today. In terms of housing starts, which are technically up but literally down, in April the pre-sales contractors across Canada had translated the housing starts into a boom—on paper—but we know they will flatten out in the latter months of the summer because builders are just not building "spec" houses any more. As a result, emphasis on residential rehabilitation is very important, and for that reason our party is pleased to support this bill.

We also have problems, which the Liberal interest rate policy is causing throughout the country, with respect to mortgage interest rates. The rate is now at a record Liberal high of 18.5 per cent. People are just not buying new homes any more. They are forced to stay where they are, and the maintenance of rental housing is becoming all important to Canada. I point out that we are talking about rehabilitating housing and about vacancy rates; this government has created a real crisis with respect to apartment vacancy rates.

In April, 1979 the vacancy rate in Canada was 3.6 per cent. The acceptable average across Canada is 3 per cent. In April, 1981, by dint of indifference and by a real and determined effort at nothing at all, this government has brought the vacancy rate down to 1.8 per cent. In areas such as metro Toronto, which the minister represents, it is 0.4 per cent. People across Canada are having a difficult time finding places to live. It is no longer a question of adequate and decent shelter; it is a question of finding a place to live. For that reason we are certainly prepared to support this program.

We know that older housing requires extensive renovation. We have reviewed the very excellent report prepared for the Canada Mortgage and Housing Corporation entitled "An evaluation of RRAP," which is the Residential Rehabilitation Assistance Program. I have looked with interest at some of the recommendations in the report. I note, for example, that the eligibility under RRAP has changed. It is interesting to me as the spokesman for housing on this side of the House that the number one recommendation on page 121 has been adopted by the government, and I commend the government for that. It is also interesting to note that the income limit for family homes has been increased from $6,000 to $9,000. It is very unfortunate that AHOP owners who were led down the garden path in 1976 have found that this very same government—there has been a 50 per cent increase—has decided, instead of using 25 per cent of family income as the upper limit for AHOP eligibility, to raise that limit to 30 per cent. On behalf of the thousands of Canadian home owners who are renewing their mortgages under AHOP I suggest to the government that it would do very well to go back to the standard of 25 per cent on the basis of which these people were inveigled into buying homes and to go back to its original principles and take a hard look at the funding which is provided within this ceiling.

The minister referred to co-operation between federal and provincial levels. We do not want to see the same thing happen to this program that happened to the community services contribution program, under which muncipalities across Canada entered into three-phase programs with the understanding that the Government of Canada would stand behind its commitment to the cities, towns and villages of Canada to provide services. The government pulled out of the program and left municipalities across Canada high and dry looking for funding for two and three-phase programs in which they had become involved at the exhortation of the government. Many municipalities involved in this program have gone to a considerable amount of effort to set up their procedures, and I suggest that the government consider seriously the termination of these programs, if they are terminated, on a very orderly basis.

As far as the public housing part of the bill is concerned, we are supportive of anything this government does to help Canadians find decent, affordable housing in sound community environments. We on this side know that the shelter allowance has been the favourite trial balloon of this government. Shelter allowances have been created and hiked prior to national housing conferences only to have the balloon deflated two weeks later when the conferences were over and all the delegates had gone home. I hope this government under this increased ceiling will take a hard look at shelter allowances, their impact on the municipalities of Canada, just what sort of public funding they have put into place and what sort of co-operation will be required on the part of provincial governments.

We think there is a lot of merit in a shelter allowance program. We want to see the details which will be brought forward, and I hope when we are approving an increase in funding from $150 million to $1,504,500,000 this money will be spent wisely. I can assure the government we will be very interested not only in the ceiling but also in the supports holding up the ceiling in the future. I thank the House for allowing me to address it on this matter.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to speak briefly about this matter and to address its two main

elements. One thing which always concerns me about rehabilitation programs is the way they are apportioned. In the main, given current economic conditions, I think the future will be even more difficult for people.

Let me go back a minute. Generally speaking, rehabilitation programs are undertaken after the sale of a house. Someone purchases a house and decides to modernize it or do some work in it before moving into it. Unless there is a dramatic downturn in interest rates and a new and more innovative way of providing mortgage funds, and unless people are able to assume mortgages at or about 25 per cent of their income, I suspect we will find that a large number of people moving into homes which could qualify under this rehabilitation program will not be able to afford them. I suspect what will happen then is that this will become another program for those ever so slightly more affluent than the average, although I hope that is not so. For those people in the city core because it is the only place they can live, for those in older homes because it is the best they can afford, given the current economic conditions in housing even a program such as this does not provide them with an opportunity for access.

• (1800)

As I said in another debate, I think at some point it might be useful to do a further evaluation of the socio-economic group which is able to take advantage of this rehabilitation program funding to determine whether people on a limited income but who want to own a home of their own can gain access to a program such as this for the purpose of upgrading, improving and thereby stabilizing some of the core areas of our larger cities. I am sure my colleague, the hon. member for Hamilton West (Mr. Hudecki) can think of such areas in his own riding, as I can in mine, where rehabilitation programs would be very worthwhile. We would want to encourage people to undertake the kind of rehabilitation that will keep the houses in a good state of repair so that they are an asset to the owner and the community. The unfortunate part, as I am sure my colleague will agree with me, is that for a large number of people living in those areas the thought of assuming yet another financial burden is impossible. They just cannot do it.

So while we support the program and understand that additional funding is a necessity given the changing times, I say to the minister we think a serious look should be taken at who is able to take advantage of it and at the ways it can be better utilized, and then perhaps we should consider setting down some additional guidelines for that portion of this expenditure and for public housing in general.

I want to talk about that for a moment because I think it is a vital area of concern. Given the economic conditions I have just spoken about, I suspect that unless we see some very dramatic changes in house prices and mortgage interest rates, there will be an overwhelming growth in the need for public housing. Large numbers of people who have never considered public housing will be put in a position of having to make that choice. I do not think that is necessarily a bad choice, but they will have to do it despite their own preference. I say to the minister that this $1.5 billion, though it is a substantial sum, will pale into insignificance over the course of the next decade when measured against the dollars needed to provide the public housing units required to meet the rapidly increasing demand which will result from the other more general government policies directly affecting housing.

I think housing, like health, education and food, has to be given priority by the government. It cannot be dealt with in a frivolous or thoughtless way. It cannot just be allowed to happen by some mystic means. We cannot leave it up to the private sector to grapple with the ever-increasing costs of providing housing. We know full well we are not keeping pace with what the demand is undoubtedly going to be. I think every member of this House believes, Mr. Speaker, that owning a home is part of the Canadian heritage, if you will. Those people who were able to move from public housing into their own home will not be able to do that in the future. Therefore, there is no doubt in my mind that the future will require that we look seriously at new and innovative ways of developing a housing bank, if you will, which will provide an opportunity for people to buy a home at a price they can afford and in an area where they would like to live.

I can see the changes taking place now, as I am sure every member of this House can, changes in the metropolitan areas owing to the fact there is a money crunch and there are fewer and fewer rental accommodations being built and fewer and fewer people able to enter the housing market because of the problem of trying to meet their commitments in the face of the tremendous costs being levied against home ownership.

I hope we will have from the minister in the near future some exciting new and innovative housing policies. I say to him that MURBs do not really count in this. That program does not even begin to address the problems because the people I speak about will just not be able to move into even that kind of housing. While this change appears to be very significant on the surface, when you look at it in comparison to the expenditures of last year and the year before, it is not as dramatic a change as you might think. I suspect it will do little more than enable the housing corporation to keep pace with inflation and do something marginal in terms of meeting the ever-increasing demand.

• (1810)

We must rethink our entire policy as it relates to housing for people. What we have before us met the needs of another era. It met the needs of an era when 25 per cent of an individual's income was enough to purchase a home. Nowadays 25 per cent of a single income would hardly get one into an apartment, let alone allow one to buy a home. Since we are part of the problem, we have an obligation to make an effort to become part of the solution.

The over-all economic conditions may well ameliorate over time. Perhaps things will improve, but I suspect the improvement will be gradual and that it will not enable a large number of people to attain for themselves what we would all like to see for every Canadian family, that is, not that they necessarily

purchase homes for themselves but at least that they have the opportunity to do so.

This program will be under serious pressure. The minister should devote a great deal of his time between now and next fall to preparing for the onslaught. I am certain there will be a major debate in the House next fall. At least there will be a debate among the public of Canada who cannot find places to stay at prices they can afford. There will be major debate on why the government has allowed housing to become a luxury rather than a necessity.

The Acting Speaker (Mr. Blaker): I will recognize the hon. Minister of Public Works if the House gives its unanimous consent, because under the House order there is no opportunity for the minister to speak.

Mr. Knowles: It was agreed.

The Acting Speaker (Mr. Blaker): Shall the minister be granted the opportunity to speak?

Mr. Knowles: It was part of the order.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): I take it there is consent.

Mr. Cosgrove: Mr. Speaker, I thank you and hon. members opposite who have spoken on this housing bill. In particular I thank them for their support for the increase identified under the two programs respecting residential rehabilitation and public housing. I believe both speakers who preceded me identified the demand and the need. There has been recognition that the cumulative costs from year to year represent a significant undertaking by the government.

Generally I should like to speak to an issue which was raised by both speakers, that is, the role of the provinces. Recently in Ottawa I had an opportunity to meet with my counterparts, the provincial ministers responsible for housing. I drew to their attention the fact that the government had made some moves by increasing budgets and taking new steps in response to difficult times. I asked where was the provincial response, for example, to the MURB or to the government moving toward increasing its commitment under AHOP and ARP. Admittedly it is not sufficient by the calculation of some hon. members, but nonetheless it is an increase by the government. I made an observation concerning the provincial response to the difficult time we are experiencing in housing. If all provinces responded in the same way to the situation, if the unevenness in the provincial response were eliminated, they would be addressing regional pressures brought about by the movement of people from one province to another.

As I have indicated, rehabilitation offers a very important potential for the future housing industry. It is for that reason that CMHC reports monthly on statistics showing starts and activities in new housing. They will be reporting this month for the first time, and quarterly thereafter, on the experience across the country regarding residential rehabilitation.

I should like to offer some comfort to the hon. member for Hamilton Mountain (Mr. Deans). Although he is fearful that people at all income levels are not taking advantage of the residential rehabilitation potential, if he compared the first quarter of this year with the first quarter of last year he would find that there has been threefold increase in activity nationally. In conclusion, I know there has been criticism about the MURB provision reintroduced by the Minister of Finance (Mr. MacEachen) in his budget, that it did not encompass people with modest incomes. It was not designed to cover that group. For example, the move to increase the number of housing starts under section 56(1) was a tailor-made response of the government to that area. I thank the House for its indulgence.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. As the House knows, the government House leader moved an order with respect to House business, which was seconded by myself and the hon. member for Winnipeg North Centre, to accommodate hon. members who wished to attend the interdenominational service for the late Terry Fox. We have made amazing progress today. As a matter of fact we have considered two of the matters we expected to deal with tomorrow. Would it not now be appropriate for the House to adjourn so that members could prepare for the event later this evening?

Mr. Knowles: Mr. Speaker, I should like to support that suggestion. In fact, it occurs to me that since we have done two days of work in one, we might even adjourn until Monday so that the two or three of us who are present could attend the NDP convention in Vancouver. In any case, perhaps the minister could respond by either agreeing or telling us what we will do tomorrow.

Mr. Pinard: Mr. Speaker, I intended to give notice of a very important bill for consideration tomorrow related to the widows of veterans.

Mr. Knowles: We shall stay, we shall stay!

• (1820)

Mr. Pinard: But under the circumstances I will agree to the suggestion made by my hon. colleague from Nepean-Carleton. For the time being, let us call it seven o'clock, and I will take into serious consideration the offer just made by the hon. member for Winnipeg North Centre. We might be in a

position to make a decision on that later on tonight or tomorrow morning.

Mr. Baker (Nepean-Carleton): Mr. Speaker, in the event we are back tomorrow, I do not know how one will communicate a decision, but in any event I anticipate the business will be Bill C-58, Bill S-12 and Bill C-12, in that order. Is my anticipation correct?

[*Translation*]

Mr. Pinard: We cannot hide anything from my hon. colleague.

[*English*]

The Acting Speaker (Mr. Blaker): The Chair understands that pursuant to the suggestion made by the hon. member for Winnipeg North Centre, the House will adjourn until Monday. That is subject to correction. It may be the Chair is instructed to see the clock as seven o'clock. Is that more accurate?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being seven o'clock, I do now leave the chair until tomorrow morning at 11 a.m.

At 6.22 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Friday, July 3, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

PARLIAMENT

NOMINATION OF SENATORS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise concerning the disgraceful, Machiavellian manoeuvring of politics and Parliament crassly committed yesterday by the Prime Minister (Mr. Trudeau) through the elevation of the Senate of his canoeing pal from Spadina in an attempt to prepare a path to this House for Toronto's little cherub, James Coutts, first of the flunkies to precede the Prime Minister's own delayed departure. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House condemns the shameless playing with power for political purposes by the Prime Minister, his abusive actions of snickering at the Senate while filling it with friends, flunkies and worn-out sacred cows of the Liberal party and making a mockery of our political system for his own autocratic ends and, finally, requests the Prime Minister to advise us immediately when the next exodus is to be made by Michael Pitfield to the position of Undersecretary of State for External Affairs.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

ACTION NECESSARY TO END STRIKE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of importance under the provisions of Standing Order 43. Due to the fact that the nation-wide postal strike, now in its fourth day, is already causing major problems, financial in particular, for thousands of Canadian businessmen and private citizens, and because the Canadian Union of Postal Workers' authority to call a strike was apparently voted on by less than half the union membership, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the government accept its responsibility to the people of Canada and put an end to the strike, either by appropriate action at the bargaining table or through back to work legislation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

EXTENSION OF MURB PROGRAM—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise under the provisions of Standing Order 43. Apartment vacancy rates in Canada have shown a steady decline over the last two years. The government has stated that the re-introduction of the MURB program for one year would alleviate the problem. I therefore move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That the government extend the MURB provisions to at least December 31, 1982, so that builders can properly plan development projects which will ease the vacancy rate problem in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

CONCILIATION BOARD REPORT AS BASIS FOR STRIKE SETTLEMENT—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House requests both parties in the current Post Office dispute to accept the conciliation board report as a basis for settlement and return to the bargaining table in an effort to reach an agreement on all other contentious matters.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the fact that it is now 13 months since figures were released by the War Amputations of Canada indicating that almost 50 veterans a year are dying before their pension applications are processed, and in view of the fact that the government has done nothing to speed up the processing of pension applications, which now on average takes three years, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House instruct the Prime Minister to name a full-time Minister of Veterans Affairs now, and that the newly appointed minister be instructed to retain the Canadian Pension Commission in Ottawa.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

EFFECT OF STRIKE ON SMALL BUSINESSES—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a matter of great concern to many Canadians. Considering that the purpose of government policies and agencies is theoretically to assist and not impair Canadians in pursuit of legitimate goals; considering that many small business enterprises, already imperilled by this government's high interest rate policy, are further threatened by the unhappy situation in the government-operated Post Office; and considering that many small business enterprises such as Beaven's Custom Cannery in Summerland, British Columbia, are seasonal enterprises and that any disruption in normal mail communication with customers at this time threatens the entire annual production and profitability, without which the business must fail; I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That immediate steps be taken to get the mails moving again, if necessary through back to work legislation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AVIATION SAFETY

CURTAILMENT OF AIR TRAFFIC CONTROL SERVICES AT CALGARY INTERNATIONAL AIRPORT—MOTION UNDER S.O. 43

Hon. Don Mazankowski (Vegreville): Madam Speaker, I too rise under the provisions of Standing Order 43. Given that the responsibility to provide adequate financial and human resources to maintain the integrity of Canada's air traffic control system lies with the federal government, and since air traffic control services at the Calgary International Airport will be curtailed between the hours of 12 midnight and 6 a.m. effective July 4 because of insufficient numbers of air traffic controllers, thereby seriously impairing the ability to provide positive separation between aircraft and aircraft and surface vehicles, as well as raising serious questions of legal liability, I move, seconded by the hon. member for Capilano (Mr. Huntington):

● (1110)

That the minister take immediate steps to maintain full 24-hour air traffic control services at Calgary International and that emergency steps be taken to fill the 22 vacant ATC positions in Vancouver, 12 in Calgary, 15 in Edmonton, 58 in Toronto, 50 in Montreal, and 20 in Gander, plus an additional 75 controllers in other points in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN WHEAT BOARD

FAILURE TO ANNOUNCE PRICE FOR WHEAT—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The failure of the minister responsible for the Canadian Wheat Board, Senator Hazen Argue, to announce a new price for wheat leaves the grain farmer in a very uncertain position in regard to delivery. I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House call on the minister to fulfil his responsibilities to the farmers and announce a new price immediately so as to give farmers adequate time to make a business-like decision on deliveries of grain.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN NATIONAL RAILWAYS

TREATMENT OF RETIRED EMPLOYEES—CALL FOR AUTOMATIC INDEXING OF PENSIONS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43 and seconded by my loyal colleague, the hon. member for Hamilton Mountain (Mr. Deans), I move:

That this House calls on the Minister of Transport and the Minister of Labour to inform Canadian National Railways that their treatment of their retired employees and their survivors is unfair and unsatisfactory, that it is not good enough just to make an occasional adjustment for selected groups of pensioners, but that the CNR should institute immediately the automatic and guaranteed escalation, equivalent at least to the rise in the cost of living, of all pensions paid to former employees or to their survivors.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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REGIONAL DEVELOPMENT

LAPSING OF NEW BRUNSWICK PROGRAMS—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas DREE subsidiary programs with New Brunswick in tourism, highways and industry have lapsed without renewal, and whereas the peak of the short season in outdoor construction and tourism is rapidly approaching I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of DREE and the President of the Treasury Board be directed to renew these programs immediately for one more year during which a thorough evaluation and negotiated renewal or substitution can be effected.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

CALL FOR INTRODUCTION OF FUEL REBATE PROGRAM—MOTION UNDER S.O. 43

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I rise under the provisions of Standing Order 43 on an important issue. Great Lakes fishermen over the past number of years have seen a decline and in fact near extinction of whitefish, herring and blue pickerel. This year the perch catch has not been spectacular. That, combined with increased costs in equipment, nets, workers and fuel, has put an unacceptable burden on this group of providers. Fuel increases over the past year just cannot be offset by increases in fish prices. Therefore I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the House direct the government to implement immediately a fuel rebate program for the fishing industry, in order to save this valuable source of food.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

LEVEL OF FOREIGN RESERVES—GOVERNMENT POSITION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is to the Minister of Finance and touches, of course, on the news this morning that our foreign reserves have fallen to the lowest level in ten years. Would the minister indicate to the House why that has occurred and is it in fact government policy to run with such slim reserves backing our dollar? In short, what level do ministers intend to maintain? They are down to almost $3 billion now; is that the level they hope to maintain, or are they content to see reserves slip away to the $2 billion, or $1 billion level, or even less?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I must say I am surprised at the hon. member suggesting the reserves might be at a low level. I regard them as being in a very healthy condition, particularly when one looks at the gold holdings in the amount of $842 million at book value. If they were shown at market value it would increase the reserves to an extraordinary high level.

● (1115)

EFFECT OF ENERGY PRICING DISPUTE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, as I indicated, the reserves are at an historically low level, certainly over the last ten years. In relation to our trade they are at a very, very low percentage of our total activity.

Let me put my second question touching on this matter to the Minister of Finance. Bill Jarvis, an economist with Informetrica, stated that investor uncertainty over Canadian policies, especially in energy, is continuing to put our dollar under pressure and that a solution to the energy dispute between Ottawa and Alberta would go a long way toward strengthening the dollar and the reserves. If the government could settle the energy question, is it not true that it would relieve the outgo of Canadian dollars considerably, an outgo on petroleum

products alone which was up 36 per cent in May of this year compared with May, 1980, due largely to the almost ludicrous position taken by the federal government of being willing to buy from a foreigner but not from our provinces such as British Columbia or Alberta?

Hon Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not want to be contentious with the hon. member about foreign exchange reserves, but I would suggest that when he compares the reserves of ten years ago he might look at the comparative prices for gold and translate into current market value the reserves of gold which we hold at the present time. But that is by way of suggesting that the hon. member reconsider his point.

With respect to the energy settlement, it is as clear to me, as it is to others, that there would be a number of benefits flowing from an energy settlement including, we would hope, the end of production cutbacks which are putting additional strain on our balance of payments. That in itself would improve the situation.

Furthermore, an energy settlement would remove an uncertainty which presently exists, and that would be helpful. It is for these reasons that the Minister of Energy, Mines and Resources and his counterpart in Alberta have been working very constructively in their last meetings in order to reach an energy settlement.

RATE OF INFLATION IN GERMANY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again my question is directed to the Minister of Finance. You will recall that in answer to a question yesterday dealing with high interest rates in this country, higher than any of the other six main industrialized nations, the minister came back with the odd comment that he had found in Germany that interest rates on a real basis were also at the highest level they had ever been in Germany. We must be encouraged that the minister has started to take a look at the economy of Germany. Has he also noticed that since 1973 Germany has run with an inflation level approximately half our inflation level, and an unemployment level approximately half the unemployment level of this country? Does he feel he could perhaps learn from what the Germans have been doing in running their economy, and run a better economy here with lower interest rates and certainly lower inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has again drawn attention to his conclusion that Canada is running the highest interest rates of any country in the world. If he looked today at the prime rate between Canada and the United States, or compared both rates, he would find that they are about the same. If he looked at the short-term rates, commercial paper in the United States, he would find that in the last week its rates have increased to some extent and that our comparable rates have dropped.

If the hon. member put some stock in comparing performances among industrialized countries, he ought to be impressed by the fact that job creation in Canada on a year-to-year basis has been the highest of any industrialized country in the world, including Germany. That, to me, is a rather important fact which he is overlooking.

Some hon. Members: Hear, hear!

* * *

• (1120)

HOUSING

ACTION TO STIMULATE CONSTRUCTION

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for housing who will know that last year Canada had the lowest number of housing starts in years. He will also know that high mortgage interest rates have severely affected the number of housing starts this year. Builders are reluctant to enter into building programs which would alleviate the low vacancy rates in multiple unit dwellings. Last year at this time the mortgage interest rate was 13 per cent. It is now running at 18.5 per cent. What new action is the government taking to stimulate housing starts in the forthcoming months?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, what the hon. member omitted to tell us in the introduction to his question was that although last year housing starts were at an exceptionally low level, seasonally-adjusted, for example, for the month of June at 125,000, a 15-year low, in the first quarter of this year there was an equally remarkable turn-around resulting in the seasonally adjusted rate for the month of March being somewhere over 242,000 which is a five-year record high for building starts in this country.

I know that most members who watch the industry know that the ups and downs are not really desirable. They certainly do not bring stability to the industry. It is our hope that the strength of the industry which has been demonstrated is one which will continue. It is our observation that the action taken by the Minister of Finance through the reintroduction of MURBs, a provision which was thought unnecessary and was dropped by the government of the hon. member's party when it was in office, is part of the bounce-back of the industry.

FORECAST OF DECLINE IN HOUSING STARTS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my supplementary question is for the same minister. The minister made reference to the seasonally adjusted starts in the first quarter of this year. Mr. Frank Clayton, a recognized expert in the housing field, has said it is hard to believe responsible government spokespersons have actually taken this position in public. Would the minister not agree that the housing starts which took place in April and May of this year were pre-sales

which were made when interest rates were much lower than they are today, and that builders arranged those mortgages when rates were much lower than they are today? Would the minister also not agree with Mr. Clayton's statement that a sharp deterioration in housing starts is unavoidable in the coming months if interest rates continue in the 18.5 per cent bracket?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would not join in the hon. member's pessimism about the industry. I certainly do not share the pessimistic view he takes from his selective editing of Mr. Clayton's statements. If he goes on and reads Mr. Clayton's statements he will see that he projects starts at somewhere around 180,000 for this year. That number is in line with what CMHC has projected for this year and, in my view, it is a response to the strength and the need demonstrated in the market. I really see no reason for pessimism when the need and the response to it are parallel.

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SOCIAL SECURITY

MINISTER'S COMMITMENTS TO IMPROVE PENSIONS FOR WOMEN

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that it is now a year since Parliament passed the bill which added $35 a month to the guaranteed income supplement, and in view of the fact that three months have gone by since the holding of the National Pension Conference, does the minister not agree that it is time she obtained the government's support for some of her commitments to our older people, particularly by bringing in pension improvements and adjustments for women between the ages of 60 and 65, or 55 and 65, especially those who are alone and who, as the minister knows, are in greatest need?

• (1125)

Hon. Monique Bégin (Minister of National Health and Welfare): I know, Madam Speaker, that women in particular, and unemployed people between age 50 or 55 to the age of retirement, do face an unwritten discrimination in employment, and do have the greatest difficulties, often having to go from unemployment insurance benefits to welfare. I realize that. However, my commitment which I have given to Canadians is and has always been the same.

I have recognized that were it not for constitutional matters we would not be capable of entering that field in the future in which I will live. That is what I have always acknowledged. I have always asked Canadians to accept that the first target group and the first priority, which is the policy of this government, should be the people over 65 who still lack money in order to be, once and for all, above the poverty line. I have always added that we cannot do that in the immediate future. It will be as soon as the economy picks up. That is the commitment I have given to Canadians.

REQUEST THAT MINISTER PRESS FOR ACTION BY GOVERNMENT

Hon. Stanley Knowles (Winnipeg North Centre): I wonder if the Minister of National Health and Welfare has paid attention to the statements the Minister of Finance makes day after day about the economy being strong. If there are the billions of dollars of money in this country, should the Minister of National Health and Welfare not make sure that the burden of any financial difficulty the government has is not borne by older people? Does she not believe in some redistribution and some sharing? Should she not be pressing for action now instead of claiming that we cannot improve pensions in a time of restraint?

Hon. Monique Bégin (Minister of National Health and Welfare): I know that the hon. member for Winnipeg North Centre is a great casuist. I am the victim of that casuistry right now. However, he knows and we on this side all know that as soon as the economy picks up, and I see the colour of the hundreds of millions of dollars that we need, he can be sure that I will be back at the door of the Minister of Finance.

Mr. MacEachen: Hear, hear!

MINISTER'S ROLE IN ADVOCATING INCOME TAX REFORMS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, not only has the Minister of National Health and Welfare made the commitments to older people to which she has referred today, but she has been a very strong advocate of serious reform of our income tax laws, bearing in mind that at the present time the government hands out all kinds of subsidies to people who do not need them. What progress is she making in persuading the Minister of Finance to bring in the kind of income tax reforms in which she believes?

Hon. Monique Bégin (Minister of National Health and Welfare): May I answer that I wish I knew the exact answer to that, in the sense that the hon. member knows very well that the preparation of the budget and the decision-making process regarding budgetary measures, and, of course, income tax changes, belong to the Minister of Finance under our British parliamentary system. I think it is obvious that on this side of the House most people, if not all, have recommended that certain income tax changes could be made which would be more progressive for social justice and equity. However, we all know, and I cannot hide it from Canadians in my answer, that other families who are well off will have to suffer for that in terms of redistribution to those in the lower-income brackets. That is the price to pay. I, personally, like many others on this side, recommend it strongly.

Mr. Knowles: The time is now.

Oral Questions

POST OFFICE

INTRODUCTION OF BACK TO WORK LEGISLATION—GOVERNMENT POSITION

Mr. John Bosley (Don Valley West): Madam Speaker, my question is directed to the Prime Minister and relates to statements made this morning in the Montreal *Gazette* and on "Canada A.M.", quoting unnamed Liberal MPs and a Liberal cabinet minister to the effect that back to work legislation would be introduced to settle the postal strike before Parliament rises for the summer. In light of statements made in the House yesterday by the President of the Treasury Board that such legislation was not contemplated at this time, and the much stronger statement by the Postmaster General that the government was prepared to wait until a settlement of the strike was reached at the bargaining table, through you, Madam Speaker, I should like to ask the Prime Minister if the government has a common policy with respect to back to work legislation. If so, what is it specifically? Do we have one policy being followed by the minister responsible for bargaining, another policy being followed by the minister responsible for the Post Office, and still another being promised and followed by certain other members of cabinet and the Liberal caucus?

● (1130)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have that quote from the Montreal *Gazette* that the hon. member refers to, and I see no indication here, but perhaps I have not read it all, that any members of cabinet have taken a contrary view to that of—

Mr. Nielsen: On "Canada A.M." this morning.

Mr. Trudeau: I have to listen to that too.

Mr. Nielsen: Believe Richard Gwynn.

Mr. Stevens: You never know what they are doing to you.

Mr. Trudeau: I will tell you, Madam Speaker, that both ministers were speaking on behalf of the government yesterday and I am prepared to repeat that position which is clearly the government's position. I do not know if backbenchers have or have not expressed contrary views, and to what party they belong.

I do know that cabinet has taken the position that the President of the Treasury Board and his officials have made a very fair offer. It is an offer which would give the letter sorters something like $25,000 per year. We think that is a fair offer and we think it should be discussed. We are sorry and regretful that the union negotiators have refused to come to the table to even discuss this. We have taken the clear position that there is no intention to settle this strike by legislation. It will, and should be settled by the bargaining process.

Mr. Bosley: Madam Speaker, I suppose we should recognize that the Prime Minister has sent his newspaper reader to Spadina and now he is going to have to learn to read newspapers himself.

QUERY RESPECTING DURATION OF STRIKE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a supplementary question for the Postmaster General. In the last 24 hours, through no fault of theirs, he has had to lay off letter carriers and truck drivers, but he took almost no action last weekend or before the strike to avert it. May I ask him how long this unfortunate strike must go on before he will assume his responsibility to ensure that his employees can get back to work and that the people of Canada can have the return of their mail service?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the letter carriers are off duty status for the present time. That is quite understandable because there is a lack of work. In answering the question of the hon. member, I will repeat what I said yesterday, that this will end as soon as the two parties get back to the table and negotiate a settlement. We hope that will be soon.

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DOMINION CONTROVERTED ELECTIONS ACT

DATE OF HEARING RESPECTING SPADINA ELECTION RESULT

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Prime Minister. In view of the announcement yesterday of the appointment to the other place of Peter Stollery, will the Prime Minister indicate to the House whether he was aware that a trial date had been set for next September 14 for the hearing of a petition under the Controverted Elections Act, the result of which might well void the election of Mr. Stollery of February 18, 1980, and was the Prime Minister aware that the trial date of September 14 next for the hearing of that petition was set, notwithstanding that the first judgment in this matter, which the government lost, was dated May 7 of last year, over a year ago?

What is the explanation for the timing of the Prime Minister's announcement? Why is he following this course within two months of the hearing of that petition? Is it to nullify the court action or to deny the petitioner his day in court? What is the explanation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was not aware of that particular date. I was aware of the case which had been taken under the Controverted Elections Act. The House will remember that the basis of the action was because the then Clark government called an election and the electoral officer, under the direction of the order in council, set a specific date for an election. These are actions for which the party opposite was responsible. It is astonishing to me that, having lost not only the general election but the particular election in Spadina, they should be faulting a process of which they were the initiators.

Regardless of that, the object of the action before the courts is to declare the election void, and to create a new election, a byelection. I am saving the hon. members' lawyers money, and

the country time, by calling the byelection that they want to obtain. What more could they ask for?

Mr. Knowles: The Prime Minister should get a prize for that one!

TIMING OF BYELECTION

Hon. Erik Nielsen (Yukon): Madam speaker, the Prime Minister has used the correct terminology; it was a petition to declare the election void with all of the consequences that would retroactively flow from that kind of decision if it occurred next September 14. That would include the right of the particular hon. member to draw a parliamentary salary since February 18, 1980, and his right to cast votes in the House of Commons. Those matters have still to be decided on September 14 and will flow naturally from a result in favour of the petitioner. The Prime Minister cannot explain his timing by that red herring.

He still has not answered the question which I will put to him again, Madam Speaker. Will be explain his timing? Why did he not wait until after the trial of that petition before calling this byelection? Why did he not wait until afterwards? Has he the same plans for the other two ridings, where at least in one of them, Guelph, there is a Liberal member? Is it his plan to follow a similar course there and in Scarborough Centre, both of which ridings have petitions before the court of a similar nature to that in Spadina? Who will be running in those byelections—Michael Pitfield and what other minion?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member seems to be answering his own questions. There are two other court cases, from what he says, and surely the courts should be left free to come to their final decisions which might—

Mr. Nielsen: Why not this one?

Mr. Trudeau: It might take months and years, I suppose, before the appeal takes place. Once again, it is really strange that the hon. member is complaining about this particular byelection when we know that the object of their action is to cause a byelection to be held.

Mr. Nielsen: That is up to the Speaker.

Mr. Trudeau: If the courts in the other cases decide that, in a sense, the election was illegally held, I would hope that the hon. member opposite and his party would indemnify the country for the mischief they caused by calling the election in this illegal way.

In so far as the timing of this particular one in Spadina is concerned, Madam Speaker, it is well known that I am planning to leave public life and I am hastening to put a good man like Jim Coutts into Parliament. I hope the electors will see it this way.

Oral Questions

REGIONAL DEVELOPMENT

PRIMARY HIGHWAY PROGRAM IN ATLANTIC PROVINCES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Transport. Has he yet taken a decision, which I hope will be a favourable one, on moving forward with phase two of the primary highway strengthening and improvement program in the Atlantic provinces? If he has not taken that decision, can he indicate when one might be made?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision to extend or not to extend the highway strengthening program has not been made. To be frank, however, I think I should add that I doubt that when it is made it will be a positive one. In other words, I do not think the program will be extended.

Instead of that, we are developing now with Newfoundland and with the maritime provinces, all encompassing transportation programs covering all modes of transportation. Progress is being made to that effect, and if that goes through, as it appears it will, some savings will be made from the $500 million a year that the federal government spends in the Atlantic provinces on transportation at the moment. If savings can be made, I have good reason to believe that the cabinet would accept that a certain amount of new money should be allocated for a strengthening of highways program.

● (1140)

Mr. Howie: Madam Speaker, I thank the minister for his answer. Undoubtedly savings will be made, but fewer facilities will be in place.

GOVERNMENT DECISION ON UNIVERSITY OF NEW BRUNSWICK FORESTRY RESEARCH COMPLEX

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my supplementary question is for the Minister of the Environment. Has the government taken a decision to support the concept of promoting research and development in forestry through a forestry complex at the University of New Brunswick in conjunction with the province, the university, and the private sector? Is it the intention of the government to erect a building in the complex to house federal forestry research facilities? If so, can the minister tell me when?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, this is a matter that we have under very active consideration. I can tell the hon. member that no definitive decision has yet been taken.

Mr. Howie: When? We have been waiting over a year.

Oral Questions

TRANSPORT

PILOT RAPID TRANSIT PROJECT IN HAMILTON, ONT.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Transport. At the moment a decision is pending on the building of a pilot rapid transit project in the City of Hamilton under the auspices, primarily, of the provincial government, but supported financially by the federal government. Will the minister undertake a review of the project personally, or at least have it done in his ministry and reported to him, to determine exactly what traffic problems this pilot project is intended to solve and what the cost will be to the citizens of Hamilton to maintain it in years to come when the federal and provincial grant structure no longer provides money for it?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, this is a project on which we are working co-operatively with other federal departments. With respect to federal participation, there has been no final decision on that as yet. I will certainly be happy to have the issues looked into which my hon. friend has raised. They are important considerations which should be taken into account in connection with any ultimate federal decision.

Mr. Deans: Madam Speaker, how come the Minister of Industry, Trade and Commerce answered? I was trying to stay away from him.

CITY'S EAST-WEST TRAFFIC CONGESTION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, in addition to looking at what traffic problems it might resolve, would the minister consider the problems of east-west traffic congestion, which is much worse in the city of Hamilton than the congestion which this may well be intended to resolve? Rather than funding this project, at whatever level the funding might be available, could the minister determine whether the federal government might fund the purchase and the development of a much better local transit system than that which exists now in an effort to solve some of the congestion that confronts us every day?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, this matter can certainly be looked into in the course of deciding whether or not there should be federal participation. I might add that we perceive the federal role as being to enhance the over all trade development, both domestic and overseas, of our urban transit technology, and also enhancing our capacity to develop a strong industry in that field rather than simply subsidizing urban transit. In that context I will certainly have my hon. friend's question examined.

NATIONAL REVENUE

RETURN OF INCOME TAX REFUNDS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of National Revenue. It arises out of the answer given by the Prime Minister with respect to the intentions of the government concerning the mail strike. It now appears to be the intention of the government to allow the matter to go to the bargaining table. Frankly, I think there is very little hope of that and that some day we will have to legislate these people back to work. But there is a problem, and it is a specific one.

There have been several calls to members of Parliament concerning refunds due to individual Canadians for personal income tax paid. Inquiries have been made in an attempt to receive those cheques through the offices of the Minister of National Revenue. People have been told they will not receive those cheques until the mail strike has ended. Others are being told that the emergency plan of the department is so complicated that the problem can really not be dealt with. Would the minister assure the House that he will look into this problem immediately? If there is a plan to provide those refund cheques to Canadians, will the minister assure us he will implement the plan immediately and advise the House what his intentions are with respect to that matter, because I can tell him that it is a problem in his department?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I thank the hon. member for his question. We have already addressed that problem. I have consulted with my colleague, the Minister of Supply and Services. Our cheques are normally sent to his divisional offices across the country. We are presently working on a scheme whereby they can be made available to people who deserve and need them. I might say that right now emergency services are in place should a person need a cheque for emergency purposes. In addition to that we are exploring the possibility of delivering the refund cheques all across the country.

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to thank the minister for his answer. It appears that the refund cheques are now being considered socioeconomic payments, at least in so far as the process that is being devised for distribution of the cheques is concerned.

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SUPPLY AND SERVICES

DISTRIBUTION OF GOVERNMENT CHEQUES DURING POSTAL STRIKE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my supplementary question is for the Minister of Supply and Services. Many of us are receiving calls with respect to delivery of cheques. I know there are some difficulties in giving a detailed answer during question period, but could the minister advise us, to the extent he can within the confines of question period, of the programs that are in place for the distribution of

the various federal governments cheques? If that is not possible, would the minister be prepared to table a document in the House of Commons perhaps today or, if not, in the early part of next week, so that all members will be able to advise their constituents by telephone rather than by mail?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I thank the hon. gentleman for his question. I might indicate to him that the government will ensure that all socioeconomic cheques, including family allowance, old age security, general income supplements, as well as all the pension cheques including war veterans allowances, will be made available to recipients.

All the cheques that were due during the month of June have been delivered. They have all been received. As for the cheques due in July, there is a plan in place that will be implemented.

Negotiations are now going on between the Postmaster General and the letter carriers' union to ascertain whether once the cheques have been sorted they will be delivered. If the outcome of that is not successful, we have a fall-back position which is already identified and will be put in place. I have directed a letter to all members of the House advising them of the measures we are contemplating so that members can advise their constituents. That letter was mailed yesterday—

Miss Bégin: Mailed?

Some hon. Members: Oh, oh!

Mr. Blais: It was not mailed.

Some hon. Members: Oh, oh!

Mr. Blais: It was distributed throughout the House of Commons yesterday. I might also advise the hon. gentleman that we have an advertising campaign to tell people generally how cheques are to be distributed.

[*Translation*]

Madam Speaker, in fact, the system is already set up to deliver throughout Canada all the federal government social benefit cheques, namely, family allowance cheques, old age security cheques and Canada pension cheques. Furthermore my officials are in consultation with their provincial counterparts to provide assistance if need be for the delivery of provincial cheques to the recipients.

* * *

[*English*]

AIRPORTS

TORONTO—BAN ON LANDING OF LIGHT AIRCRAFT

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I have a question for the Minister of Transport. Two weeks ago today I asked the minister a question about the NOTAM issued prohibiting aircraft under 7,000 pounds from landing at the Toronto International Airport for a period of eight hours in daylight. I am afraid at that time the minister was not aware of what I was talking about.

I am sure by now he has been made aware of the meeting which took place at Toronto International Airport attended by many businessmen. I am sure that he is aware of the flood of letters he has received as well as the flood of letters I have received regarding the shutdown of this airport for eight hours during the day from now until November. Can the minister tell me whether he has had a change of heart and whether any changes will be made to that statement?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think the hon. member should indicate why these measures are being taken. They are being taken because a runway and a taxiway are being constructed. It is not antagonism to general aviation on the part of the department or of the minister. We try to limit inconvenience to the greatest extent possible.

At the moment there are exceptions to that. Last night, however, I signed many pieces of authorization paper and inasmuch as it is possible permission will be given to use the runway, notwithstanding the restrictions now in existence.

● (1150)

EFFECT OF RESTRICTION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I understand there is some construction going on this year. The NOTAM specifically states it is to be closed next year as well. I know of no plan for construction for next year. A company that has three aircraft, two of which fall into that category, would normally used them to fly into Toronto International, but it is now forced to fly its larger aircraft at much greater expense in energy and cost to that airport, simply to pick up parts because of this particular NOTAM. Surely there must be some other way of doing this than just categorically stopping all aircraft under 7,000 pounds.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the reality of this is that when you change a runway, construct a runway, repair it or a taxi-way, you have to take measures restricting general aviation. One confrere of my hon. friend said in the House the other day—some months ago—it was his feeling that the major airports should not be used by general aviation when there are problems with regard to runway capacity, as there is in the Toronto area. Other people accept the limitations on general freedom of aviation at airports as busy as Toronto is, he said. We are trying to minimize these difficulties. There is the problem with the reconstruction of the runway and taxi-way now.

The exceptions I was referring to were exactly related to the situation described by my hon. friend, that is, when there are urgent cases, hardship cases, exceptions can be made. The law says that the minister has to sign the exception forms and I spent half an hour the other day signing these papers so that urgent or emergency cases could be attended to in a proper way.

Oral Questions

SCIENCE AND TECHNOLOGY

FUNDING FOR NATIONAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Minister of State for Science and Technology, and it concerns the belated additional funding for the National Sciences and Engineering Research Council. When I asked the minister about this funding in February he said he expected to make an announcement in March. When I asked him about it in March he said April, and when I asked him about it in April he said May. It is now July and there has still been no announcement. Is the minister in a position to give us a definite commitment as to when the additional funding to NSERC will be made?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker. Next week.

* * *

AVIATION SAFETY

SHORTAGE OF AIR TRAFFIC CONTROLLERS

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question for the Minister of Transport arises from the critical shortage of air traffic controllers in Canada. Yesterday, in response to a question he indicated that a new training system will produce between 120 and 150 air traffic controllers per year. That will not satisfy the immediate requirement of 250 air traffic controllers in Vancouver, Calgary, Toronto, Montreal and Gander. In view of the fact there is a very major urgency to acquire additional controllers at the present time and, further, that some 1,036 air traffic controllers will be required by the year 1985-86, and under the minister's formula or training program only about half the required controllers will be produced, is the minister reconsidering his plan of action?

In view of the fact that we are now faced with shutdowns at the Calgary International Airport, and perhaps others in the future, is the minister reconsidering his program of action and, if so, when will he be in a position to bring such a program before the House?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I thought I answered the question rather well yesterday. I recognized that there was a problem. The problem is not of the magnitude my hon. friend says it is. I observe that he has bought the CATCA figures as to the number of air controllers that are needed. These figures are not accepted by the department. Apparently they are quite exaggerated. This problem existed when my hon. friend was Minister of Transport. It is not a new problem.

What I indicated yesterday was that a number of measures had been taken in terms of methods of recruitment of candidates, in terms of adequacy of personnel and facilities to train them, and in terms, for example, of developing with the provinces better ways of preparing young people for the job. All kinds of things have been developed to the point that we are now in the position to say that by next year, instead of graduating 50 air controllers a year, the number will be raised to 120 new air traffic controllers.

An hon. Member: And that is bilingual.

Mr. Pepin: Yes, indeed, special efforts are being given to the bilingual aspect of the operation.

While recognizing that there is a problem I think I have indicated sufficiently well that measures were being taken to remedy it in the fastest possible way. Apparently it takes a number of years to train a controller. We cannot mass produce them with some pill that could be distributed around.

CURTAILMENT OF SERVICES AT CALGARY INTERNATIONAL AIRPORT

Hon. Don Mazankowski (Vegreville): Madam Speaker, the minister does not have to accept the version of CATCA, but the fact of the matter is that their statements have in fact become reality today and that is why we are faced with the curtailment of services at places like the Calgary International, and we may face them at the Vancouver International Airport. With respect to Calgary, does the minister accept or reject the allegation by the air traffic controllers that the curtailment of air traffic services in Calgary during the period from 12 a.m. to 6 a.m. will prevent the adequate separation of aircraft, and will not provide adequate facilities to ensure that there is adequate separation between aircraft and vehicles on the ground? Furthermore, would he accept the fact that CATCA suggests that the curtailment of those services could very well create a question of legal liability for the individual supervisor involved in the Department of Transport in the event of an incident or an accident?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure it is not without consideration for all these potential difficulties that the department took the position it took. My hon. friend asked me yesterday to make sure that conversations or discussions would take place with the Calgary Transportation Authority. These have taken place. Following a conversation the members and I had yesterday I am going to insist that they should continue. Efforts are being made to find trainees to take into the system at the Calgary airport.

My hon. friend corrected me yesterday because I had said that the damage to traffic would not be as great as he had said. I said that it involved the movement of two or three planes an hour during the night. He corrected me by saying it was 20 planes over the whole period. If you multiply six hours by two or three planes an hour it gives you exactly the same number. All this is to say that we recognize there is a problem there, and I am going to follow up on the questions my hon. friend is raising in order to try to alleviate inconveniences to the traffic in Calgary.

CRIMINAL CODE

IMPAIRED DRIVING TESTS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is directed to the Minister of Justice. In light of the proposed changes being considered in the Narcotic Control Act, is the minister considering amendments to the Criminal Code that would establish laboratory tests for the assessment of the impaired operation of a vehicle as a result of drugs or chemicals other than alcohol, or will the assessment be made on a subjective basis?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have taken note of the suggestion of the hon. member and I shall certainly be very happy to consider it. However, I do not know whether it is possible to establish tests of this type, but I shall certainly check into it.

* * *

[*English*]

DOMINION CONTROVERTED ELECTIONS ACT

HEARING OF PETITIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I direct my question to the Prime Minister and it is supplementary to that posed by the hon. member for Yukon having to do with the possible controversion of the elections in Spadina, Scarborough Centre and Guelph. The Prime Minister indicated he did not know if a specific date had been set for the trial under the Controverted Elections Act in the Spadina case. Will he tell the House whether he knew that a hearing had been scheduled of the specially constituted elections court to hear the Spadina petition, which hearing may well have the consequence of voiding that seat?

While he is on his feet I wonder if he might also tell us, since he knows the Spadina case was a test case and, by agreement, the cases in both Guelph and Scarborough Centre had been set aside pending the result of the Spadina case, and since Mr. Hamel is a party to the agreement and is represented, I would assume, by government lawyers, as a matter of policy will the government now agree to join with the other parties in the Scarborough Centre and the Guelph cases to have the speediest possible hearing of the petitions to declare the elections void in both Guelph and Scarborough Centre.

● (1200)

The Prime Minister indicated he was trying to help the courts out by acting before the courts could decide in the case of Spadina. Presumably he would have the same interest in having speedy action in Scarborough Centre and Guelph. I wonder if the Prime Minister would indicate whether as a matter of policy his government would agree to moving speedily with the hearing of petitions which might void the election of Liberal members in Scarborough Centre and in Guelph.

Point of Order—Mr. Tessier

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will certainly consider that suggestion. I have not been following this matter. I did not know of any specific date, as I indicated earlier. I believe if any minister of this government is involved in that matter, it might be the Minister of Justice or the President of the Privy Council. I will discuss the suggestion made by the Leader of the Opposition with them.

* * *

FITNESS AND AMATEUR SPORT

GRANT TO CANADIAN OLYMPIC ASSOCIATION

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise on a point of order. My point has to do with an answer the minister of sport gave yesterday, as recorded at page 11135 of *Hansard*. I just want to clarify one thing. I hold no animosity toward the COA, which is a 95 per cent Liberal indoctrinated organization. Whether it has its office in Montreal or Ottawa makes no difference, but I think the minister should not mislead this House by saying, "I recognize that the hon. member has never been an enthusiastic supporter of the COA".

Madam Speaker: Order. The hon. member is debating the question. He can do that at another time.

[*Translation*]

POINT OF ORDER

MR. TESSIER—USE OF POSTAL FRANK

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, my point of order follows upon a motion under Standing Order 43 moved by the hon. member for Leeds-Grenville (Mr. Cossitt) yesterday, on July 2, and recorded on page 11125 of *Hansard*.

I want to raise this point of order because I consider this motion an obvious abuse of Standing Order 43, and worse yet it is an ill-founded accusation and creates a doubt that I cannot tolerate. The hon. member will have to accept that I only did my duty in complete accordance with my responsibilities and privileges, and that moreover, I agreed to inform my colleagues of problems of which everyone should be aware. For the information of the hon. member, I shall simply say that I received by Purolator courier, envelopes which could be addressed to any member of the House. These envelopes and letters were sent to me by the manager of Jomac Canada—

Madam Speaker: Order, please! I must say to the hon. member that there has been no abuse of Standing Order 43. Under this procedure, the hon. member introduced a motion in the House which, for reasons unknown to me and about which I cannot speculate, did not receive the consent of the House.

The motion was then disposed of in the prescribed manner. While I understand that this motion may have offended the hon. member, I cannot allow him to continue to debate this issue.

Mr. Tessier: Madam Speaker—

Madam Speaker: Order, please! No, no more discussion can be allowed. There has been no abuse of Standing Order 43. The House has disposed of the hon. member's motion. There can be no more discussion about it. The hon. President of the Privy Council (Mr. Pinard) on a point of order.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not intend to question your decision or comment on it, but there are two aspects to the question. The one you disposed of is behind us. You found that the motion under SO 43 was in order. It was turned down and that is good! But there is another more general aspect I would like to point out, the one the hon. member for Megantic-Compton-Stanstead (Mr. Tessier) had in mind, namely, that often, motions under SO 43 are used to make innuendoes and harm the honour and integrity of hon. members. This has nothing to do with the motion under SO 43 being agreed to or not. It is another aspect that deserves to be considered, and I respectfully submit that what the hon. member for Megantic-Compton-Stanstead had in mind was to deal with that aspect involving his honour and integrity, and he was going to make his point. Therefore, it is my respectful submission, Madam Speaker, that you did not have all the information to determine whether that second aspect deserves to be heard or not.

Madam Speaker: No, not at all. That motion could have been debated with unanimous consent. The substance could have been debated in this House. For reasons that are beyond my interpretation, the House decided to refuse consent to debate the motion. Perhaps it found the motion totally irrelevant or it might have been for another reason, but all I can do is to apply the rules.

A motion for which unanimous consent is required cannot be debated unless it is unanimously agreed to. What the hon. member is now doing is debating such a motion. I appreciate his desire to do so, but cannot allow him to proceed at this point.

[*English*]

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a question of privilege. My question of privilege arises from a remark which perhaps should not have been made but nevertheless was permitted until such time as the Chair stopped the hon. member from speaking. In effect, the hon. member cast reflections on my integrity as a member of this House, which is a very distinct question of privilege.

An hon. Member: What did you do?

Mr. Cossitt: If you cast reflections on one's integrity, you are going to have to put up with the consequences. Who do you think you are, God, like Trudeau does?

Madam Speaker: Order. I can say quite firmly that I did not see that there was any intention of casting any reflection on the hon. member's reputation. The hon. member was trying to make a point about a motion under Standing Order 43 moved by the hon. member for Leeds-Grenville (Mr. Cossitt). The question is closed. There is no question of privilege, and the point of order raised by the hon. member for Mégantic-Compton-Stanstead (Mr. Tessier) cannot be taken at this point.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, the following questions will be answered today: Nos. 2,419, 2,442, 2,517, 2,589 and 2,597.

[*Text*]

CORPORATION TAXES—ADDITIONAL ASSESSMENTS

Question No. 2,419—**Mr. Herbert:**

1. In each of the past five years, what amount was received by the Department of National Revenue as assessed corporation taxes over and above the amount declared by companies in their original year end tax reports?

2. In each year, which industry was assessed the most in additional corporation taxes?

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): 1. Total amount received in corporation reassessing increases

Year	Tax Increase (000)
1980	449,314
1979	289,443
1978	202,508
1977	207,143
1976	157,604

Notes:

(*a*) Year represents fiscal year April 1 to March 31.

(*b*) Figures show tax changes made during the fiscal year and contain tax dollars for up to five tax years.

2.

Year	Industry assessed most in additional tax dollars
1980	Construction
1979	Manufacturing
1978	Manufacturing
1977	No data available
1976	No data available

INCOME TAX PROCESSING—SURREY, B.C. CENTRE

Question No. 2,442—**Mr. Clarke:**

1. What is the average length of time for an income tax reassessment to be processed from receipt of application to issuance of a refund cheque or other final disposition at the Department of National Revenue Taxation Centre in Surrey, British Columbia?

2. What is the average length of time taken for the procedures at all other centres?

3. Do the lengths of time in parts 1 and 2 differ and, if so, for what reason?

4. Were measures undertaken or are they planned to improve the service at the Surrey Taxation Centre and, if so, what are the measures?

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): 1. The average length of time for an income tax return to be reassessed from the receipt of the taxpayer's request to the issuance of a refund cheque is nine weeks. This is under normal conditions but is dependent on a number of factors. For example, at the year end, computer processing is delayed due to the computer being down to prepare for next year's program. When inventories are high during the filing season, the processing cycles can take longer. When additional information is required from the taxpayer, this can cause a delay until the matter is settled.

2. The average length of time taken for the procedures is essentially the same at all centres.

3. See answer to part 2.

4. A number of small changes in procedures and techniques have been made to speed the flow of work. The most significant has been a new system of control over correspondence to identify and expedite adjustments that appear to be exceeding the normal time for completion.

CMHC—MR. K. B. GANONG

Question No. 2,517—**Mr. Oberle:**

Is Mr. K. B. (King) Ganong employed by the Canada Mortgage and Housing Corporation and, if so (a) in which position (b) on what date was he appointed (c) what was his salary (i) at the time of appointment (ii) as of April 1, 1981 (d) how many employees does he supervise?

Hon. Paul J. Cosgrove (Minister of Public Works): I am advised by Canada Mortgage and Housing Corporation as follows: Yes, since June 7, 1949.

(a) and (b) Mr. K. B. Ganong was appointed assistant to the president for the Yukon Territory and the Northwest Territories on August 28, 1978.

(c) (i) The salary range at the time of appointment was $32,786—$47,112.

(ii) As at April 1, 1981, the salary range is $41,210—$51,506.

(d) Mr. Ganong has 30 employees under his supervision.

Order Paper Questions

CIDA/ENV.—CONTRACT WITH INTERNATIONAL HARVESTER LTD.

Question No. 2,589—**Mr. Stewart:**

Did the Canadian International Development Agency and the Department of the Environment purchase a dump truck valued at $214,696 from International Harvester Ltd. and, if so (a) for what purpose and at what location will the truck be used (b) what were the specifications for the truck (c) were public tenders called (d) what was the name of the bidder and the amount of any other bid submitted?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded two contracts to International Harvester Ltd., on behalf of the Canadian International Development Agency and Environment Canada, for the purchase of four dump trucks and spare parts.

(a) (i) Three dump trucks are to be used for the Tanzania Canada Wheat program.

(ii) One dump truck to be used in Fourillon National Park, Gaspé, Quebec.

(b) (i) CIDA supplied the following specification: "(MMD) No. V1292 for Diesel Powered 6 & 4 Dump Truck GVW 46,000 lbs."

(ii) Parks Canada specification: "Truck 4 & 2 Diesel 12,747 kg (27,500 lbs) GVWR c/w dump body."

(c) (i) Requests for proposals for the CIDA requirement were sent to six firms and two replied as follows:

White Motor Trucks	$203,101.
International Harvester Ltd.	$182,101.

(ii) Request for proposals for Environment Canada requirement were sent to eight firms and two replied as follows:

White Motor Trucks	$41,508.
International Harvester Ltd.	$32,595.

The lower bid was accepted and the total value of the two contracts was $214,696.

GROSS AND NET PUBLIC DEBT

Question No. 2,597—**Mr. Cossitt:**

1. Did the government make revisions retroactive to the fiscal year 1926-27 or earlier to the extent of the (a) gross (b) net public debt and, if not, for what reason does data contained in the table "Gross and Net Public Debt: Historical Trends", provided to Members of Parliament in the Department of Finance document "Background Information on an Act to Provide Supplementary Borrowing Authority for Fiscal Year 1980/81", differ from data published in the Public Accounts?

2. For each year since Confederation, what was the (a) gross (b) net public debt of the government?

Hon. Pierre Bussières (Minister of State (Finance)): 1. The government has made revisions retroactive to the fiscal year 1926-27 with respect to: (a) the gross public debt and (b) the net public debt. These revisions place the series on a basis consistent with the 1979-80 Public Accounts. As recording of gross and net public debt in the 1979-80 Public Accounts is

different from Public Accounts recording of earlier years, the government's revised figures differ from those published in the Public Accounts of 1978-79 and earlier years.

2. The list below shows: (a) the gross public debt and (b) the net public debt of the government since Confederation.

Gross Public Debt and Net Public Debt Since Confederation

As at End of	Gross Public Debt	Net Public Dept
	($ Millions)	
1867-68	94	76
1868-69	109	76
1869-70	113	78
1870-71	110	78
1871-72	117	82
1872-73	124	100
1873-74	136	108
1874-75	145	116
1875-76	154	125
1876-77	167	133
1877-78	166	140
1878-79	170	143
1879-80	184	153
1880-81	188	155
1881-82	192	154
1882-83	188	159
1883-84	227	182
1884-85	248	196
1885-86	255	223
1886-87	253	227
1887-88	263	235
1888-89	264	238
1889-90	261	238
1890-91	263	238
1891-92	266	241
1892-93	269	242
1893-94	275	246
1894-95	283	253
1895-96	289	259
1896-97	294	262
1897-98	297	264
1898-99	302	266
1899-1900	300	266
1900-01	306	269
1901-02	315	272
1902-03	308	262
1903-04	316	261
1904-05	328	266
1905-06	343	267
1906-07	333	264
1907-08	359	278
1908-09	433	324
1909-10	456	336
1910-11	464	340
1911-12	496	340
1912-13	469	314
1913-14	535	336
1914-15	690	449
1915-16	924	615
1916-17	1,368	879
1917-18	1,846	1,192
1918-19	2,658	1,575
1919-20	3,019	2,249
1920-21	2,903	2,341
1921-22	2,902	2,422
1922-23	2,889	2,454
1923-24	2,820	2,418
1924-25	2,818	2,417
1925-26	2,769	2,390
1926-27	2,726	2,348
1927-28	2,677	2,297
1928-29	2,647	2,226
1929-30	2,545	2,178
1930-31	2,609	2,262

Gross Public Debt and Net Public Debt Since Confederation

As at End of	Gross Public Debt	Net Public Dept
	($ Millions)	
1931-32	2,827	2,376
1932-33	2,987	2,597
1933-34	3,141	2,730
1934-35	3,202	2,846
1935-36	3,431	3,006
1936-37	3,542	3,084
1937-38	3,540	3,102
1938-39	3,711	3,153
1939-40	4,029	3,271
1940-41	5,019	3,649
1941-42	6,607	4,045
1942-43	9,086	6,183
1943-44	12,174	8,740
1944-45	15,376	11,298
1945-46	18,808	13,421
1946-47	17,422	13,048
1947-48	16,524	12,372
1948-49	16,494	11,776
1949-50	16,730	11,645
1950-51	16,905	11,433
1951-52	16,972	11,185
1952-53	17,656	11,261
1953-54	17,630	11,162
1954-55	17,560	11,326
1955-56	18,022	11,330
1956-57	17,792	11,009
1957-58	17,939	11,046
1958-59	19,549	11,678
1959-60	20,294	12,117
1960-61	20,807	12,454
1961-62	22,100	13,227
1962-63	23,838	13,962
1963-64	25,415	15,170
1964-65	26,288	15,530
1965-66	26,845	15,326
1966-67	28,471	15,535
1967-68	30,525	16,224
1968-69	32,572	16,715
1969-70	33,691	16,222
1970-71	37,669	16,594
1971-72	41,329	18,811
1972-73	44,475	19,810
1973-74	47,037	21,194
1974-75	52,283	22,927
1975-76	59,384	28,390
1976-77	66,756	34,600
1977-78	79,916	44,889
1978-79	98,023	57,115
1979-80	106,199	68,595
1980-81[a]	122,006	82,745

[a] Figures for 1980-81 are not yet final. However, estimates for 1980-81 consistent with 1979-80 figures and the October 28, 1980 budget would place 1980-81 gross public debt at $122,006 million and the 1980-81 net public debt at $82,745 million.

Note:

Figures for 1971-72 to 1979-80 are in line with the accounting changes incorporated in the 1979-80 Public Accounts. For the years 1867-68 to 1970-71 inclusive, the figures are consistent with each other but are not strictly comparable with 1971-72 and subsequent years.

An indication of the non-comparability of the two series is as follows: If 1971-72 had been calculated on the same basis as for 1867-68 to 1970-71, then the 1971-72 gross public debt would have been $41,391 million instead of $41,329 million, and the 1971-72 net public debt would have been $17,296 million instead of $18,811 million.

The figures in the above table incorporate revisions to those included in the Department of Finance document "Background Information Concerning

Borrowing Authority for Fiscal Year 1981-82", provided to members of Parliament.

For 1905-06 and earlier years, figures are as at June 30, e.g., for 1905-06, the figures for gross and net debt relate to June 30, 1906. For the years 1906-07 to 1980-81, gross and net debt are as at March 31, e.g., for 1906-07, the figures relate to March 31, 1907.

[*English*]

Mr. Bockstael: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO SHORTEN PERIOD REQUIRED TO HOLD ELECTIONS

The House resumed, from Thursday, June 25, consideration of the motion of Mr. Bussières that Bill C-58, to amend the Canada Elections Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. John Gamble (York North): Madam Speaker, I am delighted to have this opportunity to address Bill C-58 which, if passed by this House, will have the effect of reducing the period within which one may campaign for a federal election from approximately 60 days to 47. The bill, while significant in terms of the number of paragraphs, has little consequential effect upon the conduct of elections, save and except for the changes which are necessitated as a consequence of the reduction in the over-all time for the conduct of an election campaign. There are some exceptions, and to those I shall direct my attention later.

I suppose that the initial reaction of most persons involved in an election campaign, certainly from the standpoint of a candidate, would be to be inclined to approve of the principles involved in the reduction in the period during which an election campaign may be conducted. People in this House very clearly would be most delighted with the general prospect of reducing the time when one is confronted with what may be regarded by some as a somewhat rigorous period in their political careers. This rigorous period, depending on the success of the individual member of this House, repeats itself time and time again.

● (1210)

Upon reflection, however, I think one would also find the general public may become somewhat weary of elections and prefer a shorter period than the one we now have. We have witnessed in the United Kingdom, and in provincial elections, certainly in my own province, an extremely short election term. Parliament is terminated, the election is called and then the legislators are sitting again with a substantial rapidity. All of those considerations tend to induce one, looking objectively at this bill's provisions, to believe that it would be appropriate indeed to pass same. On balance, having regard not to individual ridings but to the nation as a whole, one would be inclined to favour that principle.

There are in mind, Mr. Speaker, two categories of electoral districts that will be substantially affected by the provisions of this bill if passed. One of them is the category my riding finds itself in. The riding of York North is the seventh largest riding in Canada in terms of registered voters. At the time of the last general election there were 80,379 persons entitled to vote. Compare that with the largest riding in Canada, York-Scarborough, with a total of 108,619 voters. However, between York-Scarborough and York North there were a number of ridings in which the total number of voters did not greatly exceed that of York North. The significance is not so much the numerical superiority over the great majority of ridings in Canada, but the degree of change within my riding compared with the number at the time of the 1979 general election.

In the short nine month period between roughly May of 1979 and February of 1980 there was a population change of 10,000 people in the riding. Yet there had not been the full gap of one year between elections. There were 2,500 people who left the riding, and 7,500 newcomers. The total growth in population was only 5,000, but the total change was 10,000. Given the nature of the riding and its particular circumstances today, I suspect that with the results of last month's census we will find York North's population has grown with a corresponding increase in the number of electors so that it has now in all probability moved up from the seventh position it had in 1980. The effect of these changes, Mr. Speaker, is that it takes a good deal of time to cause the machinery to be put in place which will result in the dispatch of enumerators, the accumulation of information for the preliminary lists and the addition of those who were missed on the preliminary voters' list.

York North covers a geographical area about 25 miles wide and about 12 miles in depth. It consists of three complete towns, Markham, Richmond Hill and Vaughan, each of which is a large geographical area with a centre or group of centres allocated to commercial activities and large surrounding residential areas. By way of illustration, Mr. Speaker, in the town of Vaughan there are housing starts and applications for building permits to a total of 20,000 homes. The effect of this growth on Vaughan will be staggering. Growth in Markham and Richmond Hill is proceeding apace as well. Large industrial corporations have decided to locate there because they have found, as a result of astute municipal administration, the rates of tax there are substantially less than in metropolitan

Toronto immediately to the south. This astute municipal planning and prudent tax administration has inevitably led to the location of housing to accommodate the growing commercial and industrial complexes which have established themselves and continue to expand within the region.

It is this growth which will have a substantial effect upon the accumulation of information necessary to prepare the voters' lists properly for the next general election. One can very easily recognize, Mr. Speaker, that there are some ridings, not including mine, that are large in geographical area. We need only examine the riding of the Yukon and the two ridings in the Northwest Territories, indeed the northern regions in all our provinces, to realize the travelling time will be extensive in those areas if indeed members and candidates for Parliament are to be given an opportunity to contact as many of their constituents or intended constituents as they can.

My problem, the problem of ridings which experience large increases in population, is not too dissimilar. While it may take me a shorter period of time to travel from one part of the riding to another, there are more constituents between those two points than there would be in the ridings of the Yukon and Northwest Territories. The problem is the same: time to meet people.

Those sitting in the House, Mr. Speaker, have been blessed by the confidence of electors in one part or another of Canada. I do not know whether it is appropriate for anyone here to believe that he or she is here indefinitely. The democratic process through which we pass contemplates that each of us and those who replace us, since most assuredly we will be replaced at some time, will confront our constituents. Either we will impress upon them our willingness to serve and our genuine desire to benefit the nation or, in the case of an unsuccessful candidate, I suppose he does not meet the general requirements of his constituents.

● (1220)

The process is one of time. We well recognize that, despite the fact we sit here and say that the public knows we serve, there are others wishing to take our place who never become involved in the political process until the date the writ is issued. It is unfortunate but nevertheless a fact of political life.

Is it appropriate, accordingly, for us to take upon ourselves an advantage? Is it appropriate to suggest that the gap in time should be lessened within which we must face our political opponents on the campaign trail, within which we must curtail the number of all-candidates' meetings held throughout our ridings to provide those opponents an opportunity to display to voters their debating skills and knowledge of the subject matter which should concern them in determining how to cast their votes? I should think not. I believe the will of the public is best expressed at the time of an election. Members of the public can best express that will if they are well informed and have an opportunity to see and hear those who wish to represent them in the House of Commons.

We know what happened in the 1980 election. The election was called near the end of December; I recall the House was dissolved on December 14. It was not until after New Years that people began to establish dates for all-candidates' meetings and to begin effectively to engage in an election campaign. We may say that that gap in time would really bring us roughly within the period of time which this bill now contemplates. In the event that we should be confronted with another election at a similar time, we will have lopped off another two weeks within which the public will have an opportunity to view us and our opponents in an election campaign. Is that appropriate? I suggest it is not.

As members of the House we have substantial advantages which are well known to all of us but spoken of rarely. I am speaking of the opportunity we all have to speak in the House, to have our remarks recorded, and to have our speeches in part played back on television. We have an opportunity to dispatch to our constituents householder mailings, to communicate freely with our constituents using our frank. It is an opportunity which our opponents do not have. I am not suggesting for a moment that we be deprived of those advantages, but none of us is here forever. Passage of time, change of political mood, and even the desire among some of us to retire and be replaced by someone in our own party will result in others coming to this place.

It is my submission that it is appropriate to grant to the public the longest reasonable opportunity within which to make an intelligent choice. As I indicated, I have the additional problem within my own riding of knowing that with the massive influx of new voters it will be more difficult than ever to put all those new voters on the preliminary lists and subsequently entitle them all to cast their ballots on election day. From the experience we have personally had in North York, we know there are always complaints after a general election that a number of people have been missed. It occurs as a consequence of the shortness of the time in some cases. It occurs because someone was not home and did not in fact transmit the appropriate information. As a matter of fact, whole streets in North York were missed at the time of the enumeration for the 1979 election. The reduction in the time within which all of this shall take place is, therefore, a matter which concerns me and leads me to conclude that accordingly it is inappropriate to deal with this bill in the fashion which one might at first blush appear to favour.

Let me deal, if I may, with the effects of the reduction in time upon the expense limit with which all of us are familiar. We know that as a consequence of the application of Clauses 4 and 5 which are found on page 3 of the bill, the number of days within which one may prepare the preliminary list and accordingly obtain the necessary information to transmit to candidates for Parliament so that they may prepare their budgets has been reduced from 19 days to 11 days.

The effect on all of us in breaching the expense provisions of the Canada Elections Act can be calamitous. It is well recognized by all hon. members of the House that to exceed those spending limits will result in the loss of a seat properly won,

but lost for the failure to comply with the maximum amount of money which may be spent during the course of an election campaign. We also know that those limits vary from riding to riding depending upon the number of electors. It is my considered opinion that what we have in the course of that reduction in time is a risk that we shall hastily prepare budgets which are unrealistic, exceed those budgets, and accordingly find ourselves in a situation where we may have breached the terms of the act itself and placed a successful election in jeopardy.

Clause 5(2) makes provision for the furnishing of copies of preliminary lists to all electors, copies of the pages on which their names appear to identify individual electors with their right to cast ballots. We know that the former practice or the practice which is currently in existence would be eliminated should this bill be passed. It makes provision for the dispatch of a list not only naming the individual elector, but all those electors in his poll. Also the practice of posting preliminary lists in convenient places within the poll region will be eliminated. But the interesting fact is that clause 5(2) makes reference to the furnishing to each person of their name on a preliminary list. One wonders how that furnishing is to be undertaken in the event that we are confronted with a strike of the kind we have now.

• (1230)

I know the practice in the past has been that legislation has been passed precluding the occurrence of a strike in the postal service during the time of an election campaign. Indeed, that might well be the answer. But right now during the course of an election campaign one may go out and examine the list of electors which is posted on telephone poles, where we are accustomed to finding them, to determine whether or not your name has been included. That process would be eliminated if this legislation which is before us were passed.

I say that elimination constitutes a general loss in terms of what the public has come to expect; the loss of finding one's name on the list may result in the ultimate loss of the right to vote at all. The public has become accustomed to a particular way of dealing with elections. They know they can follow a course of conduct which will result in a determination as to whether or not they are on the list when the lists are posted.

I have heard some of the arguments which have been made when this bill was earlier discussed to the effect that the posting of these lists constitutes a danger to people in the community since, in the event that one were criminally inclined, one would be able to identify people who seem to be living alone and therefore set upon them at some time and perpetrate an offence. I do not know that there ever has been any evidence that this is the way in which criminals gain information about who lives where. To my knowledge there is no evidence of there having been a criminal wave during the course of an election campaign, unless we speak of the crimes perpetrated on the public through speeches made by politicians promising things which are never delivered or promises which are changed in the event that the candidate happens to be successful. It is alarmist to view the posting of these lists as constituting some threat to the community.

I would like to direct the attention of the House to Clause 6 of the bill, which deals with the shortening of the time for the entire election. This would shorten the period of time within which enumerators can be appointed. We are all familiar with the process which occurs after an election is called. A campaign team or a political party swings into action. One of the essential ingredients of a successful campaign is the appointment of enumerators who may, in company with persons from the opposing political party, prepare the list of electors. There is always a great clamouring for extra time so that the lists of enumerators may be prepared.

Over a period of years each political party within a riding accumulates a list of people who can undertake the enumerating tasks. These lists are rather jealously guarded since they consist of the names of people who have proven competent in the past. In the case of my particular riding, and with the growth to which I have made reference and the consequential growth in the number of places or polls where votes may be taken, it has become necessary to continue to update and add to these lists. But the lists are not always perfect and must be checked.

Should an election be called right now, Mr. Speaker, both myself, as one of the persons referred to in the act as having a right to be communicated with by the Chief Electoral Officer in the riding, and the candidate running against me, who at the time of the last election had the next highest number in the vote in terms of his party affiliation, have an equal opportunity to appoint enumerators. At the present time the gap is six days, which will be reduced to five. Members opposite ask what difference a single day can make. I can tell hon. members that it was awkward to put together the lists in six days and now we shall only have five to perform the same task. It is not an easy matter to put together the names of people who are to perform this task without the assistance of the political parties. I know there is a stop-gap arrangement which entitles the Chief Electoral officer in the riding to make those appointments. In my riding, and I suspect in a great many others, the political parties which in the past have supplied this information are generally looked to to provide it again. If I were making any recommendations with respect to an amendment to the Canada Elections Act, I would suggest that this period of time be extended and not, in fact, restricted.

There is a consequential effect of a somewhat similar nature arising out of Clause 11 which would reduce the number of days for the granting of a poll. In a riding which has a somewhat static population it is understood that the polls originally established will not subsequently change in number. In a riding such as North York, which is constantly expanding in terms of the number of electors, one will find the constant need for additional polls. Accordingly, it is of some substantial benefit to us if we know well in advance the number of additional polls which are to be established since with the polls come the lists and with the lists come an opportunity to consult

directly with the constituents whose names appear on those lists.

I have dealt with what I consider to be some of the essential ingredients of the bill. My major concern is with the effect the reduction of time will have upon those who have an opportunity to judge the ability and character of those people who are offering themselves for political office. Anything that this House does to reduce that period of necessary exposure would, in my opinion, have a somewhat detrimental effect upon the process with which we are all familiar.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I thank you for the opportunity to speak on Bill C-58, to amend the Canada Elections Act. Quite frankly, I rise to speak on this bill because in its earlier forms it was a bill which never particularly concerned me. I must admit that perhaps I had not fully considered the consequence of lowering the number of days which will elapse between the issuance of a writ for an election and the actual polling day itself. But I rise now because I am concerned about many matters with respect to this bill.

• (1240)

I think that we who sit in this House would tend to share the view that we are drifting into something approaching an electoral dictatorship in this country and it is not healthy. It is not healthy for good government that this should be developing. It is certainly not healthy as far as democracy is concerned, because it may well be that that sense of growing indifference of the public to the whole electoral process will heighten. I suggest it will heighten to the degree that we start to minimize the actual election campaign periods themselves.

Let me share a few views with Your Honour and other hon. members of the House. I guess Canada is the largest country in the world geographically which has a democracy. I acknowledge that India has the largest population; but from a geographic standpoint Canada is the largest democratically run country in the world. Surely that should first flag the fact that we perhaps need a longer time-frame than most other countries would feel is necessary for an election, considering the geographical problems we have in this country.

Think of what happened in the last campaign, a campaign which was triggered in mid-December, with a vote on February 18. Think of what happens in such areas as the northern Arctic, Northwest Territories and the Yukon. First, let us not presume that Canada can get by on a comparatively short campaign period. Let us remember the geographic distances in this country.

However, I suggest that a more serious matter is that we are evolving—and this is not unique in Canada—to the point where politics is becoming more and more a media extravaganza. I suggest it is becoming particularly oriented to the 30-second or 60-second clip on TV. Sadly, it is not a question of Parliament itself being exposed so much as the question of the exposure of the leaders of the governing party, the official opposition, and whatever rump groups happen to be in existence at any particular time, such as the NDP at the present time.

What I am saying is that more and more a system seems to be evolving which is not a presidential system such as that found in France and certain other countries, and, in particular the United States of America, but a system which is still the old parliamentary representative government system, one which is treated like a presidential system. The significant item on the national news at night, be it on CTV, Global or the CBC, is not so much what transpired in Parliament, but what glib statement the Prime Minister (Mr. Trudeau) made that day, or the Leader of the Opposition (Mr. Clark) or the hon. member for Oshawa (Mr. Broadbent) as leader of the NDP or as vice-president of Socialist International. In short, more and more people are being asked to focus on the simple question as to whether or not they liked what the Prime Minister said, or what the Leader of the Opposition or the leader of the NDP said. I suggest to Your Honour that that will kill the whole parliamentary system—

Mr. Deans: This is going to kill it.

Mr. Stevens: —if it is allowed to develop to the point where it is simply a question of imageries—

Mr. Laniel: Mr. Trudeau was very quiet in the last election.

Mr. Stevens: —when the people come to choose the government they would like to see run this country.

The reason I am dwelling on this point is that I feel that we, the 282 members of this House, must always be cognizant of the fact that we have the best working democratic system in the world.

Mr. Deans: This?

Mr. Stevens: But it is essentially founded on the concept of this House being supreme, that the government of the day is entirely responsible to this House and must keep the confidence of this House or go to the electorate. I say that because, to the degree that we, as members of this House, inadvertently start to downplay the attention which the public pays to this House, presumably shifting their attention more to the leader imagery question, I think the more we will find that this House becomes absolutely irrelevant.

The thing that alarms me, and one of the reasons I am speaking today, is that there have been so many indications from this present government as to the utter contempt in which it holds this House that I am therefore hesitant to say; "Well, fine. Let us shorten the electoral period so that if the government wishes to call an election in the future it will have still fewer days left open to debate the issues of the day and hopefully get a proper verdict on election day as to who it wants to see sit as the 282 hon. members of the House".

I will come back to speak about the areas in which I feel this government is being particularly contemptuous of Parliament; but let me develop what I am saying a little further.

If it is true that, as far as the public is concerned, a greater fixation with leaders is developing as opposed to the governing process, what has happened in other countries? Surely, it is strange that we should be standing in this House saying that we should shorten our electoral period from roughly 60 days down to something like 47 days, when our main democratic neighbour, the United States, spends almost a year contemplating prior to the choice of its new leader, the President, every four years. Why do the Americans feel it is necessary to go through their very complicated electoral process of having preliminary skirmishes, of eventually having leaders run to gain the nomination of their respective parties, the republican or democratic party, and then go into the contest itself?

Mr. Deans: Do you think they have any better government?

Mr. Stevens: Surely, the answer is that in that democracy it is felt that that type of time is needed to give the electorate of the United States, literally state by state, an opportunity to review who the potential candidates are for the presidency, to give their electoral votes, state by state, and to support whatever candidate they feel is desirable. Eventually, that the system evolves to the point where certain candidates are finally put before the country. Even then there is a campaign of several months before the November voting day and a new President is chosen.

Geographically, Canada is a bigger country to govern than the United States. This should cause us to hesitate and ask why we could do something in 47 days that the United States thinks its needs up to a year to do as far as its process is concerned.

I notice my friend, the hon. member from Hamilton-Wentworth—

Mr. Knowles: Hamilton Mountain.

Mr. Stevens: The hon. member for Hamilton Mountain (Mr. Deans) has been asking, "Yes, but do the Americans get better government?" I suggest to him that at the present time yes, the Americans are getting better government. It is certainly better government than the Trudeau government is giving to this country.

Mr. Pepin: Traitor, traitor!

Mr. Stevens: There are other examples.

Mr. Pepin: Selling his country!

Mr. Baker (Nepean-Carleton): No, just selling his government.

Mr. Stevens: Just within the week I saw the outcome of the election in Israel. In Israel there is a minimum time of five months for electoral campaigns. Can anyone in this House say that the electoral result in Israel, which was virtually a dead-heat, would have been the same five months ago? I suggest that the answer is obvious. We found that in Israel, during the five-month or, I guess, almost six-month campaign, a tremendous swing in public attitudes started to take place between the governing party and the labour party which sought to take over. To me, that is democracy at work. People were given an opportunity to review the positions of the rival parties, to decide during that period which candidate they wished to choose. There was no suggestion of a 47-day guillotine which would have arbitrarily meant they had to vote on what I suggest is largely a question of the leadership charisma aspect that people like to talk about at the present time and which is largely the result of TV handling of politics in this country and others today.

● (1250)

I could take hon. members through many more democratic processes. France has just had an election which had a much longer time-frame than we are contemplating here. France goes through the process of double voting. The first vote simply finds out who the main contenders are and the two then have a run-off vote. I suggest that all these questions should be asked by members of this House before they accept the 47-day provision.

Let me touch now on the question of how arrogant and contentious the government is. This is what makes me so fearful of giving the government another advantage in the mind-bending that it seems to glory in. Just think of the money the government is spending on advertising to try and convince the average Canadian what a good job it is doing. Almost $70 million of taxpayers' money is being spent to condition the Canadian electorate to the notion that the federal government is big brother and is always looking after them. At the bottom line the inference is: "Re-elect us and you will get more of these goodies".

Surely that should cause people to ask if it is wholesome. I suggest that it is not a wholesome thing to have the federal government the number one spender in the country, in terms of dollars, in order to convince people, whose money they have lifted out of their pockets, that they are benefiting from its policies.

If that is put in the context of always getting a little narrower and shorter time frame for an election campaign, then we can see the problem ahead of us. Coming up to the 47-day period, I can just see the advertising dollars flying around and the goodies being described. As long as the government can keep the confidence of the House, it can decide when to trigger an election. Just think of the disadvantage to everyone else. We had an example of that yesterday. With absolutely no notice to this House, we were told that one of our members has been invited—

Mr. Baker (Nepean-Carleton): "Summoned."

Mr. Stevens: "Summoned" is the technical term—to the Senate.

Mr. Knowles: "Kicked upstairs."

Mr. Stevens: This creates a vacancy and means that an election will now be held on August 17. The government has an advantage in that election. The Prime Minister's former

aide had warning of what was coming. He had his resignation in. He had his airline ticket booked to Toronto in order to hold a press conference last night to say, "I am off and running, subject to getting the nomination of my party." Meanwhile, any party interested in running a candidate in the Spadina riding has first of all to select that candidate, get organized, campaign and try to win the seat by August 17. I suggest that this is a mini-federal election in the Spadina riding.

All this should indicate to any thoughtful member how wrong it is to leave a government—especially a government that is handled by the emperor in the way he handles government in this country—the option that at any time after spending million of dollars on advertising to condition the Canadian public, it simply declares an election and within 47 days has a vote which the emperor thinks will restore him to power. Not only has the emperor been ruling the country the way he has, but judging from his answer to the hon. member for Yukon (Mr. Nielsen) today, it would appear that he is making room for his heir apparent, Mr. Jim Coutts. He is the new "Prince of Wales" in Canada.

Mr. Gauthier: Are you jealous?

Mr. Stevens: I think some of you fellows should be jealous. Just think how convenient it will be for the emperor if we hand him the added advantage of only having to campaign for 47 days, after he thinks conditions are right, to renew his mandate.

I mention these things because I think it is easy for us to bumble into this type of amendment. Some people may ask what the difference is, saying that 60 days is a long time to campaign. Let there be no doubt, Mr. Speaker, that the difference is that a short campaign helps the incumbent and works to the disadvantage of those fighting to get into power. I do not think that is healthy for democracy.

Mr. Deans: From now until August 17 is less than 47 days.

Mr. Stevens: My socialist friend the hon. member for Hamilton Mountain comes to my assistance again and points out that August 17 is even less than 47 days away. That shows how far the government will go in shortening campaign periods.

It is approaching one o'clock, Mr. Speaker, but I should like to touch on one other thing that we should give some thought to when considering the Canada Elections Act. I refer to holding public opinion polls during an election campaign. As most hon. members know, I have a bill, C-555, before the House. I should like to put clause 1 on the record, which reads as follows:

1. The *Canada Elections Act* is amended by inserting, immediately after section 104 thereof, the following:

"PUBLIC OPINION POLLS

105. (1) No person, company or corporation shall, between the twenty-eighth day prior to polling day and until the polls are closed, publish by radio or television broadcast, by newspaper, news-sheet, poster, billboard, handbill, or in any other manner, in any electoral district in which an election or referendum is being held, the result or purported result of a poll of the political opinions of electors in relation to the election or referendum.

(2) Any person, company or corporation that contravenes the provisions of this section and, in the case of a company or corporation, any person responsible for the contravention thereof, is guilty of an illegal practice and of an offence against this act."

I believe it is necessary to amend the Canada Elections Act—and if the bill gets to committee I shall propose such an amendment—because if an independent analysis were conducted of the manœuvring that took place with respect to public opinion polls during the 1980 election campaign, it would be seen that they had a devastating effect on the outcome of the polls on election day. Surely it is unforgivable to have a Gallup poll which indicates the Liberals leading by 20 per cent compared to the Conservative party a few days before the election, and then to find that the estimates of how the electorate felt were 100 per cent too high.

Perhaps I may continue at two o'clock, Mr. Speaker. May I call it one o'clock.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stevens: Mr. Speaker, I have won over one member on the government side. At least he applauds when I stand!

Before lunch we were discussing the general proposition of supporting or not supporting Bill C-58, to amend the Canada Elections Act. I believe I pointed out first that I felt we should be hesitant to endorse this type of bill which shortens the length of the campaign period from about 60 days to 46 days. I say that because geographically speaking we are the largest democracy in the world. We have an extremely severe climate, one that is extremely hot in summer and extremely cold in winter. To suggest that we should shorten the campaign period, which at the time of confederation was deemed to be proper at 60 days, to 47 days is something we should not endorse without a full debate.

• (1410)

If we look at other democracies in the world, such as Israel and France, we will find that in all cases the campaign periods are very long. The only places that have a comparatively short campaign are places with unitary-type governments with a very small geographically concentrated area.

I felt it was important while debating Bill C-58 to point out that I do have a bill on the order paper, C-555, dealing with the publication of the results of opinion polls, in which I have asked that the House consider that opinion polls immediately prior to an election, say for 28 days leading up to the election, should not be allowed in the sense that they are made public,

because they in themselves become very unfortunate factors in the election.

I remember in 1980 when I had an opportunity to visit various areas of Canada during that election campaign, and it was very disconcerting when speaking at a gathering at Winnipeg, Calgary, Vancouver or Halifax to find that the main thing the people you were speaking to were concerned about was not necessarily an issue, but whether it was true that the emperor was going to win the 1980 election and get back into power.

My point is that we have to be hesitant in proposing a shorter campaign period so we do not inadvertently give the present government, or any other government in power at the time, an unfair advantage in being re-elected. We all agree that in most instances the timing of an election is up to the government. Very rarely does a government allow its total term to run out before calling an election. As long as the government, through its majority in the House, can keep the confidence of the House it is the government's option as to when it calls an election. To then say we only have 47 days before the actual polling gives members of opposition parties—if they are in the House that is one thing, but most importantly those candiates who are not in the House—a terrible problem getting organized, campaigning and making their views known to the point they obtain the necessary votes to get elected on election day.

I could make various comments on why I feel public opinion polls should be restricted prior to an election. Most of us have witnessed the errors which occur in these polls. It is true to say, I think, that not only are the polls often in error and very misleading, but they concentrate unduly on what I was referring to earlier as the personality cult that seems to be taking over in the political world today. What I was referring to is the fact that it is the leaders that the media seem to concentrate on. For example, in the riding of Sarnia-Lambton, if I may use that as an example, instead of the media concentrating on the candidates running in that riding we often find that the thing the media talks about is who are the leaders of the political parties that happen to have fielded candidates in that riding.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the hon. member for York-Peel (Mr. Stevens). I did allow him before one o'clock to refer to his Bill C-555 as a courtesy to him, in view of the fact he has that bill to put forward; but in the sense of courtesy to other members whom I have had to correct on other occasions when talking on this bill, I must ask the hon. member to realize that the requirements of relevance are in play and that the issue before the hon. member is the matter of 60 days versus 47 days. I ask the hon. member to bring his remarks closer to that subject.

Mr. Stevens: I thank you, Mr. Speaker, for your intervention, but you will recall that I did refer to the bill which is on the order paper in the context that I wanted hon. members to know I would be making that type of amendment to this bill should it ever get to committee. I felt, in saying that, that I was perhaps justified in making a few comments on why I think this question of public opinion polls being banned immediately prior to an election is very relevant to this debate dealing with the Canada Elections Act.

My comment just before your intervention was on this question of the concentration on leadership that is starting to take hold as opposed to what we really do during an election, and that is elect 282 representatives to this Parliament. My fear is that to the degree that we shorten the term from 60 to 47 days we are going to increase the likelihood that in truth an election becomes a leadership race as opposed to a race by over 1,000 candidates each trying to be elected as one of the 282 members of Parliament. I felt that was a lessening of the workings of Parliament and a lessening of our whole representative government.

When I say that, I believe it cannot be overlooked that the only people in this country who can vote for the person who is now our Prime Minister are those who live in Mount Royal. They are the only ones who really in essence should be concerned about whether they like Mr. Trudeau or one of the other two candidates, or however many there are, running against him. The only persons who can vote for the leader of our party are those in the riding of Yellowknife. That is the point I am trying to make. In short, we have to weigh whether it is prudent to shorten the term to 47 days, increasing the leadership cult type of imagery that is becoming so prevalent in politics as the order of the day.

I initially made the remark that, while I was perhaps initially indifferent to this type of legislation, the more I thought about it the more I became concerned. Because we have in power today a government which shows such utter contempt, not just for Parliament but for the courts of our country. It is time we stopped giving the government the advantage of being able to put this House in still greater contempt through an unduly short campaign period during federal elections.

Let me give one or two examples of where I feel there has been a certain contempt on the part of the government. This was discussed earlier during the question period, but during the last election campaign in 1980 the present Chief Electoral Officer, Jean-Marc Hamel, felt he could not hold an election earlier than February 18, say on February 11, because of the time required to carry out a completely new enumeration. He suggested to the leaders, the present Prime Minister, the Leader of the Official Opposition and the Leader of the NDP that it might be all right to use the voters' list of 1979, update it and save that amount of time. In that spirit that list was used. As we know, in three ridings, particularly the riding of Spadina, that action was contested. A defeated candidate filed as a petition a notice stating he felt the provisions of the Canada Elections Act had in fact been breached. He asked that the election declaring Peter Stollery the member of Parliament for that riding be declared void.

• (1420)

Mr. Deans: You mean Senator Stollery.

Mr. Stevens: Now Senator, that is true. The hon. member for Hamilton Moutain is constantly coming to my assistance and making these points abundantly clear for all hon. members.

The government was faced with a petition which was before the High Court of Justice in Ontario. The first response of the government was to cause the Department of Justice to move on behalf of the respondents—the present Senator Stollery; Mr. Lesley Singer, the returning officer; and Jean-Marc Hamel, the Chief Electoral Officer. The first response of the government was to move to quash the entire petition. The government wanted there to be no question about illegality or irregularity in the election of its favourite son in Spadina, the present Senator Stollery. In that context the government went before Mr. Justice Hughes and, in a 23-page judgment, he found that on all counts the respondents were wrong and dismissed their application to have the petition quashed.

The net effect of that was that a new court had to be constituted—called an elections court—which would consider whether the election in Spadina riding should be declared void. It was structured from an act which was passed many years ago to permit Parliament to deal with this type of issue in an impartial way because, as we know, soon after confederation one case after another was brought into this House. Elections were being disputed for various reasons. At that time it was up to the House of Commons to decide if those who were purporting to sit as members could carry on sitting as members. It was decided that a new act should be passed to allow a court to be properly constituted to decide that type of issue outside the House. That is the process which was in place.

However, by every delaying tactic conceivable the government frustrated the court hearing this matter. Constantly the petitioner said he wanted his day in court. He believed the former member for Spadina was not sitting as a result of a valid election and that his election should have been declared void, but he could not get before the court.

Finally, in May a date was set for the special court to hear the case in Spadina. That date was September 14, 1981. What happened? The Prime Minister—the emperor, as most call him—said he would have no part of that, that he would appoint his favourite son to the Senate, which under the House of Commons Act automatically means that the seat is declared vacant, and that then he would have his assistant, Mr. Coutts, contest the nomination and hopefully win it, and go on to hopefully win the byelection. He showed absolute contempt for the court which has been constituted to hear this matter on September 14 and contempt for this House, which is supposed to have responded to the decision of that court when it arrived at its verdict.

There are two other cases, one in Scarborough Centre and one in Guelph. Exactly the same scenario is in place. At the request of the government in each instance the Department of Justice asked that these cases not be proceeded with until the trial case in Spadina was heard and decided. The government has succeeded to date in frustrating three petitions which were supposed to go forward in order to decide whether three members in this House were properly elected. We find now that when a date is finally set to decide whether Spandina was a proper election the government has frustrated the matter once again by having that seat declared vacant so that the trial can be avoided. I feel that that type of thing is contemptible.

If can see why the government is so concerned. If it permitted a court to adjudicate in the case of Spadina and it it was found that in fact the election was void, that would mean every member in this House, including the Prime Minister and every member who sits in the cabinet, is sitting here on a mere technicality. The technicality is that nobody in the respective ridings filed petitions within the time limit to seek court decisions declaring their elections void.

Mr. Chénier: Why don't you resign?

Mr. Stevens: The government obtained power through one of the most deceitful elections in Canadian history. It is retaining power by frustrating any court in this country examining the election process and deciding if the elections were illegal in the first place.

Mr. Chénier: Be a model and resign yourself, Sinc. Show us.

Mr. Stevens: Old foghorn over there—

Mr. Baker (Nepean-Carleton): Groucho Marx.

Mr. Stevens: Groucho Marx had a little humour about him, but not old foghorn. He says, "Resign". Let him resign.

Mr. Chénier: You are the one talking.

Mr. Stevens: It is his colleague's seat which is being contested.

I am only trying to heighten the awareness of how far this government will go to cling to power once it has secured power. To go the next step and to allow this government a 47-day campaign in the hope that it can retain power would be to the detriment of all Canadians. It is something we in this House have to stand and resist or we will find that it will not just be the emperor who will continue to cling, as he indicated today, but that the "Prince of Wales" is already in motion to take over the throne should the emperor decide to step down at some future time.

I can well understand the anxiety of all hon. members opposite who hope one day they themselves will get into the Senate, only to see that they have been outmanoeuvred by the person they all love so much, Mr. Coutts of the Prime Minister's Office, who has done so much over the years for each and every one of them.

Mr. Baker (Nepean-Carleton): Poor Charlie Caccia.

Mr. Stevens: Poor Charlie from Davenport. In any event, we will look after Spadina as best we can. What I am saying is, let us not make it any easier for the emperor to rule this country in his autocratic way. The fact is that every Canadian is suffering as a result of the last election, and the quicker we can remove him from office, the better.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Privileges and Elections.

* * *

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed, from Monday, July 7, 1980, consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Mazankowski: Mr. Speaker—

Mr. Pepin: Mr. Speaker—

Mr. Mazankowski: I will allow the minister to speak first.

Mr. Pepin: I am grateful to the hon. member for Vegreville (Mr. Mazankowski).

The Acting Speaker (Mr. Blaker): With the consent of the hon. member for Vegreville (Mr. Mazankowski), I recognize the Minister of Transport (Mr. Pepin).

● (1430)

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, as happened yesterday, the hon. member for Vegreville will prepare his notes as I develop my reasoning.

Mr. Baker (Nepean-Carleton): Who prepared yours?

Mr. Pepin: Somebody else, but I made them my own last night. I have a short version and a long one. Which would you gentlemen prefer?

Mr. Baker (Nepean-Carleton): The long one. I love to hear you speak.

Mr. Pepin: All right, and I will give a chance to the hon. member to go and establish contact.

This is the fourth time, Mr. Speaker, that Bill S-6 has come before this House. The previous occasions were June 6, June 27, and July 7, 1980.

Mr. Baker (Nepean-Carleton): It is truly a wonderful bill.

Mr. Pepin: Yes. Hon. members opposite used those occasions to discuss a wide range of grain questions, such as the international wheat agreement, the weather conditions at any particular time, the supply of hopper cars and the development of the Prince Rupert grain terminal. I might mention that these and other issues, such as compensation for the partial embargo on sales to the U.S.S.R. and other grain matters, are at this time well in hand. So today, Mr. Speaker, I hope my friends across the floor are willing to deal with the bill itself.

Bill S-6 was passed in the other place on June 3, 1980. I would also underline for the hon. member for Nepean-Carleton (Mr. Baker) that this bill is identical to one introduced by the previous government as C-7 on October 18, 1979. So presumably the opposition members will have no objection to their own work.

Mr. Baker (Nepean-Carleton): It was a much better government, though.

Mr. Pepin: Bill S-6 is a simple, straightforward bill designed to repeal the Two-Price Wheat Act of 1974 which is no longer necessary as it has been superseded by other programs and domestic arrangements for the pricing of wheat for food. The purpose of the bill is to remove any obligations on the government to make subsidy payments in accordance with the provisions of the Two-Price Wheat Act in light of changes made in the domestic pricing system in December, 1978.

I must underline that since that time the wheat producer has been receiving the equivalent return from the marketplace. So he is not being deprived; the payments are now collected from the marketplace instead of from the government. The new domestic pricing scheme was introduced in 1978 by establishing, through regulations under the Canadian Wheat Board Act, the minimum and maximum price for wheat sold for human consumption in Canada.

To conclude the chronology of events, in May, 1980 Senator Hazen Argue, Minister of State for the Canadian Wheat Board, announced the range would be a minimum of $5 and a maximum of $7 a bushel for wheat sold for human consumption, with no upper limit for durum wheat. Accordingly, I repeat, wheat producers have not been disadvantaged by the new arrangements and have been receiving prices in line with the international market in view of the higher range announced just over a year ago.

This is where the short version might end, Mr. Speaker, but I see the hon. member for Vegreville has not returned so I will continue to put information on the record for historians of the future who might want to use these notes for learned essays leading to MA and Ph.D degrees.

Let me continue to explain the relationship of the government's domestic wheat pricing program to other grain policies and programs. Canada has for some time had a policy of setting domestic prices for wheat for human consumption in order to provide some stability in prices to both consumers and producers. This is going to be my theme, that these policies protect both producer and consumer. Producers have a right to a fair return for their efforts, while consumers should not have to face rapidly rising costs over a short period of time for a staple food such as bread. These are difficult objectives, the

combination of the interests of producer and consumer, to meet when the product you are dealing with is wheat which has experienced volatile pricing movements in recent years due to large changes in supply from year to year in many parts of the world.

I believe we have developed in Canada an enviable package of programs to assist both producers and consumers. This group of programs and policies put in place by the federal government demonstrate a commitment to provide producers with a fair return for their product.

I think I will dispense with the following page or two of my notes because they describe in some detail the existing systems for the protection of wheat producers, namely initial payments, the western grain stabilization program, crop insurance and so on. These programs also assist consumers by helping ensure adequate grain production and, combined with the two-price wheat program, provide important protection to consumers. My notes then go into the usefulness of a maximum and minimum price in looking at the situation as it exists today, and asking the question: Will such protection continue to be necessary?

World demand for grain is expected to be particularly strong during the 1980s. World population and incomes will continue to rise as will the use of grain for food and livestock. The world demand experienced in the last three years exceeded production even though production was at record levels. As we all know, stocks have been reduced. This year the prospects for crops are favourable, both in Canada and elsewhere.

While increased production will undoubtedly occur, it is unlikely that it will increase at the desired rate in all countries or regions of the world, and swings in markets can be expected. My notes make the point that stability will never be completely reached, that present circumstances will lead again to market swings, particularly in prices. In such a market, prices can be expected to fall when production exceeds consumption and stocks build up. Prices could decline to such an extent that producers receive less than a fair price for their product. Although it is difficult to ensure stable prices for grain that is exported—and the Western Grain Stabilization Act helps offset these variations—a fair return can be set by the federal government for sales to the domestic market. A minimum price has been established since 1967 in Canada for wheat sold for domestic human consumption.

On the other hand, when consumption exceeds production stocks are drawn down and prices rise. Recent experience has shown that such price increases can be rapid and rise to relatively high levels. In this situation, consumers are faced with rapidly rising costs. Consequently, it is desirable that the extremes of potential price increases be limited for consumers. Such is currently the case in Canada where a maximum price has existed since the early 1970s for wheat sold for human consumption. The original concept of a two-price system for wheat was implemented in the late 1960s and embodied in legislation for a period of seven years beginning in 1973. On May 26, 1980, Senator Argue announced the policy would be continued for at least another two years.

As was promised during the last election campaign, the federal government is maintaining a minimum-maximum range of prices for Canadian bread and pastry wheats to protect both producers and consumers from wide price fluctuations. Originally, in 1973 the federal government combined the floor price for producers with a consumer subsidy payable when export wheat prices were above $3.25 a bushel. My parliamentary secretary fully explained the details of this program to the House one year ago when Bill S-6 was introduced for second reading. Authority for payments under this program was provided by the Two-Price Wheat Act enacted in July, 1974. A maximum subsidy of $1.75 per bushel was established, which in turn sets the minimum domestic price of $5 a bushel for producers of bread wheat.

● (1440)

In the case of durum wheat, the domestic price was allowed to vary between $3.25 per bushel and $5.75 per bushel. The subsidy was payable between $5.75 and $7.50 per bushel.

Under these subsidy arrangements, the government made payments to the benefit of consumers totalling $396 million between 1973 and 1978. During the period that this policy has been in effect since 1967, the government has made payments to producers of approximately $76 million. There have been periods when consumers were assisting producers, from August 1, 1969 through to 1972, to the extent of some $40 million. The producers have been assisting consumers in various periods from 1973 to date in the amount of approximately $108 million. There is always a discussion on who gets most, the producers or the consumers. I thought it would be useful to put down these figures. Presumably their interpretation can be challenged.

Therefore, it can be seen that the program has provided assistance to consumers and to producers. The total producer benefit up to the end of the last crop year was about $116 million, according to the grain group, and the total cost was about $108 million, with taxpayers being responsible for the majority of the assistance being provided to consumers.

In the fall of 1978, as one of a number of measures designed to restrain expenditures, the government decided to terminate subsidy payments made under the Two-Price Wheat Act of 1974. At the same time, a new domestic pricing scheme was introduced by establishing through regulations under the Canadian Wheat Board Act a minimum price of $4 per bushel and a maximum price of $5 per bushel for wheat sold for human consumption. The minimum price for durum was also raised to $4 per bushel, but the maximum was left at $7.50 per bushel. This action continued to provide a minimum price for the benefit of producers and to protect consumers against wheat prices rising above $5 per bushel or durum prices rising above $7.50 per bushel.

Just over one year ago the government decided to raise these levels to improve returns to wheat producers. As I said before, in May 1980 Senator Argue announced that these ranges would be amended to a maximum of $5 per bushel for wheat for human consumption and a maximum of $7 per bushel with

no upper limit for durum wheat. These levels continue in effect today and apart from short periods the market has remained within this band. It is currently at about the middle of the range.

All of this is to say that the purpose of Bill S-6 is to remove any obligation for the government to pay the subsidy in light of changes made in the domestic pricing system in December, 1978. For the benefit of students of wheat policies I have put on the record the period before 1974 and the period since 1978.

The repeal of the 1974 bill will not adversely affect producers who have been receiving their returns from the market. Both consumers and producers are receiving protection under the new pricing arrangements. Passage of the bill will formalize the arrangements which have been in effect for some time. I urge hon. members to support the bill.

There is a technicality of which Mr. Speaker must be made aware in order to deal with it later. When we decide to go into Committee of the Whole I have an amendment to present. Bill S-6 which is before us proposes that the 1974 act be repealed on the earlier of a day to be fixed by proclamation and July 31, 1980. We have a problem. In view of the delay in dealing with the bill, I wish to propose an amendment to clause 2 as follows:

That Bill S-6 be amended by striking out lines 10 to 20 on page 1 thereof and substituting therefor the following:

"The said Act is repealed on a day to be fixed by proclamation".

I just wanted to indicate that hopefully we will pass this amendment because of the delay in passing the bill itself.

Mr. Knowles: Mr. Speaker, I rise on a point of order. Perhaps something should be done to regularize the speech we just heard from the Minister of Transport. I was puzzled when Your Honour called on him, but it took a moment or two to check the record. Bill S-6 was originally moved in his name, the debate has gone on, and for the minister to speak later normally would mean the closing of the debate. However, Your Honour did not use the words required in Standing Order 37(3), which read:

In all cases Mr. Speaker shall inform the House that the reply of the mover of the original motion closes the debate.

Since there are other hon. members who wish to speak, I suggest that the House agree retroactively that there was unanimous consent for the minister to have made this speech.

While I am on my feet on a point of order, I might also point out that this motion has been before us for some time. It calls for the bill to be referred to the Standing Committee on Agriculture. I believe that is the desire of those interested, so the minister's reference to a possible amendment is something to be looked at in that committee.

Mr. Pepin: Mr. Speaker, I do not think there is a problem because I did not speak on the bill when it was first introduced. I am a first-time participant.

Mr. Knowles: But the minister knows the rules, and if he reads the rules, moving a motion or tipping one's hat is the same as if one made a speech.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the process suggested by the hon. member for Winnipeg North Centre to alleviate this problem is obviously agreeable to the minister and certainly agreeable to us. We would commend it to the Chair.

The Acting Speaker (Mr. Blaker): I thank the hon. member for Winnipeg North Centre as well as the hon. member for Nepean-Carleton for raising the point. I might indicate, lest in the future what I say now might be considered by other occupants of the chair, that there is some doubt in my mind as to whether or not this matter is clear. Certainly in Beauchesne's fifth edition it is not perfectly clear that the minister is to be considered to have been answering in reply and that accordingly the debate is closed. I think it is better for the Chair to accept the suggestion of both hon. members and to seek the unanimous consent of the House to the effect that the minister's speech did not close debate on the bill. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Carried. Before recognizing the hon. member for Vegreville, I might mention that if the minister wishes to proceed in the manner he suggested, I would have to seek the unanimous consent of the House for the purposes of moving to Committee of the Whole. I think the perfectly good answer was given to him by the hon. member for Winnipeg North Centre in that he could proceed to effect his amendment at committee stage. That is my understanding of where we are at currently.

Mr. Baker (Nepean-Carleton): That is correct.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, just to set the record straight, I was not under the impression that the Minister of Transport (Mr. Pepin) would be closing the debate. As a matter of fact, I think we were all looking forward to his participation in the debate. It was clearly within that understanding. However cognizant we should be of the observation of the hon. member for Winnipeg North Centre (Mr. Knowles), I simply yielded the floor to hear the minister because some of the things I have to say could very well have a direct bearing upon some of the things he has or has not done.

At the outset the minister made two points with which I agree. First, he indicated that the bill has the effect of relieving the government of approximately $200 million worth of liability without the amendment, which really advances the termination date of the two-price system and the obligations provided by the government to July 31, 1980 from November 30, 1978. If this bill were not passed the government would be obligated to pay the difference between $3.25 a bushel and $5 a bushel, which would amount to $1.75, on wheat which was used for domestic human consumption during the period December 1, 1978 to July 31, 1980.

● (1450)

The Minister also made another observation with which I agree. I think it should be repeated and re-echoed in this chamber and, indeed, throughout the country. The fact of the matter is that in the over-all scheme of things the two-price wheat system has been a subsidy to the consumer at the expense of the producer, on balance. That should not be forgotten. I am not sure whether that was the real intention of the two-price wheat legislation. I believe there was a disposition at that time on the part of the government to provide for a realistic price range for the production of wheat for domestic human consumption to reflect somewhat a price which would be commensurate with the cost of production. While there was no specific legislative mechanism to provide for a regular adjustment or indexation to reflect increases in the cost of production, I think there was a moral commitment on the part of the then minister, in effect a moral obligation, to adjust that price range on an annual basis which would bear some relationship to the cost of production.

There are several reasons why this bill should not be allowed to pass and I would like to enunciate at least four of them. This bill should not be passed until we receive a clearer commitment from the government, or some direction, on a number of urgent and important policy areas. These are policy areas which require attention now. We in this House are somewhat deprived of an opportunity to deal with questions related to the Canadian Wheat Board and to agriculture.

I know the minister is in a somewhat awkward position, having to answer in the House for the senator in the other place. There is no way he can always be cognizant of what that minister is doing since he is a senator. He does not have the pressures and responsibilities which other ministers have. He travels a great deal and does a lot of spouting off at the mouth. We hear a constant litany of statements which he makes, yet we do not have the opportunity to question him. Thus, we must question the Minister of Transport, who does quite well, by and large. At least he attempts to clarify the questions.

Nevertheless, the fact that this bill has been kicking around the House of Commons since June 6, 1980—and possibly even earlier than that—is an indication that matters with respect to the Canadian Wheat Board and to western agriculture are not much of a priority with this government. As a result, we members who represent ridings in the Canadian Wheat Board area will seize upon the opportunity to raise a number of important issues not only directly related to this bill but also to other agricultural issues.

I wish to place on record four or five major concerns I have with the lack of direction which this government is taking on a number of issues. First of all, there is the two-price wheat system itself. As I said earlier, in my view the government has broken faith with the producers of Canada. I believe it has really violated the intended spirit of the Two-Price Wheat Act.

As the minister confirmed today, it has, in effect, been a subsidy to the consumers at the expense of the producers. There has been a maximum price level locked in under this system for a period of seven years. How many union agents bargaining on behalf of their union would want to lock in a maximum wage over a period of seven years? It would just not be done. Yet, in effect, that is what was done when the Two-Price Wheat Act came into effect. The maximum level had not been adjusted until the announcement made by the minister in charge of the Wheat Board on May 26, 1980 which took effect on August 1, 1980.

There has been no effective mechanism to provide for an annual increase, both in the minimum and/or maximum levels, to reflect the cost of production, as I mentioned earlier. That is certainly something which should have been included in this legislation. While it was not included there was, indeed, a moral commitment, a suggestion made by the minister at that time, that there would be regular consultation and that those figures would be adjusted on an annual basis to reflect increases in the cost of production.

I would like to turn to the debate which took place on October 29, 1974 as reported at page 865 of *Hansard*. At that time it was brought out by a certain individual, the hon. member for Vegreville, that:

> —we are dealing with a legislative measure which is supposed to give some protection and some stability to the wheat producers of the country, certainly now is the opportune time to build into the legislative mechanism some protective features which would offset the spiralling costs which face the western wheat producers.
>
> We know, for example, that the two-price system which has been in effect for some time now has already cost the producers something in the order of $15 million.

The producers have always been behind in relation to what should be considered a fair return.

If we go back and look at the first four months of the crop year 1979-80 and if we look at the price level on the international markets and the maximum level which was provided under this bill, we will find that producers have provided a subsidy to the extent of about $22 million to $25 million, roughly a million dollars a week. This was done because the maximum price was locked in at the $5 level while international prices were substantially higher. This was really a most unfair situation.

I do not believe that when we accepted the principle of the two-price wheat system we expected a built-in producer subsidy to the consumer for a period of seven years. I say to you, Mr. Speaker, that I regret very much the government did not make a retroactive adjustment to reflect the substantial gap which existed between the price level on the international market and the price level being commanded for domestic wheat for human consumption at that time.

When our party was in government we made plans to put in place an adjustment mechanism which would have raised the minimum price to $6 per bushel. That would have had the effect of putting an additional $25 million into the hands of the producers. This government failed to recognize that inequity. Rather, it sat on the situation, did nothing, and in May it made an announcement that it would modify the price range establishing a minimum of $5 and a maximum of $7 per bushel.

Since the New Democratic Party and the Liberals combined forces to defeat our government back in December it has cost the wheat producers of Canada approximately $50 million. The maximum price of $5 which was established in 1973 was never adjusted, notwithstanding the fact that international prices were as much as $2 per bushel more on many occasions. The producers have really been taken to the cleaners. We now have another maximum established at $7 with no provision for a regular adjustment.

● (1500)

It is rather interesting to note that in the case of durum, there is no maximum. The sky is the limit. In the case of wheat for domestic human consumption, the red spring wheat, there is a maximum. I suggest to Your Honour that the minister should seriously consider removing that maximum figure, that maximum limit. The minimum price is now set at $5 per bushel. I believe that it should be at least $6. Of course, most of my thoughts on this particular bill go back to a year ago because that is when I first wrote some notes. At that time, I thought that $6 would have been a fair and realistic minimum price because it could be substantiated by the fact that there have been increases in the cost of production which could back up that kind of adjustment. For example, if one looks at the increases in the major components for the production of grain from 1973 to last year, it becomes clear, I suggest, that prices would be much higher now. Fertilizer prices were increased by about 115 per cent or 120 per cent. Chemicals increased 168 per cent. In both cases over the past year, I would say there has been another additional increase of perhaps 20 per cent to 25 per cent.

Considering fuel prices, for example, thanks to this government, diesel fuel prices have doubled since this government has taken over office. There has been a doubling of fuel prices. That, too, is a component which must be reflected as a component in the cost of production. If one were to look at $6 as a minimum, one would be looking at increasing that minimum by about 85 per cent over the period since 1974 when it was established at $3.25 per bushel. Therefore, an 85 per cent increase over that period of time is certainly not exorbitant. As a matter of fact, if one looks at the crop production index over the period of 1974 to 1980, one finds it was about 105 per cent. That was the increase in the cost of production for cereal crops. I suggest to Your Honour that there has probably been an additional 20 per cent or 25 per cent increase in that figure over the last year.

We do not have a realistic price range. In my view, we should not have a maximum limit. Of course, we do not have a mechanism for adjusting the price levels to reflect the cost of production. Hence, we are going to continue a situation wherein the producer will be continually subsidizing the consumer. That is really why we find this two-price system unsatisfactory.

The Senator in the other place makes quite a bit of noise about the fact that the Canadian wheat producers have received significantly less than if there had been no price ceiling. This amounts to a consumer subsidy at the expense of the farmer, Mr. Argue stated. Well, the Senator in the other place is supposed to be acting in the best interests of the producer. I mean, that is his job. We have people here who are ministers of consumer affairs whose responsibility it is to look after the interest of the consumer. However, the basic responsibility of the minister in charge of the Wheat Board is to ensure that the producers of Canada get a fair and equitable return for the production of their grain and for—

Mr. Pepin: He works the whole of Canada.

Mr. Mazankowski: —and for the production of the grain for their efforts. There should be no question about that. The Minister of Transport (Mr. Pepin) shakes his head in the negative. I cannot imagine what—

Mr. Pepin: Every minister works for the whole of Canada.

Mr. Mazankowski: Well, that is very good. The minister works for the whole of Canada.

Mr. Pepin: Producers and consumers.

Mr. Mazankowski: I am sure the minister devotes more attention to working for the interests of transport than for the interests of, say—

Mr. Blais: Supply and services.

Mr. Mazankowski: Yes, supply and services. Thank you, Mr. Minister. If he does not, then he should be looking for another job.

Mr. Blais: I work harder for him than anyone else.

Mr. Pepin: That is the point.

Mr. Mazankowski: The Canadian Wheat Board is an institution which acts as a custodian for the producers. I mean that the job of the Canadian Wheat Board is to get the best price possible for the farmers and to ensure that there is a regularized delivery system, a good delivery system, to ensure that the markets are always pursued, that we have an ever-expanding and increasing flow of grain to both domestic and international markets, and to get the best price for the producer. That is the minister's responsibility. If it is not, then, by golly, we have the wrong man in that slot.

I have talked here about the fact that the wheat producers have been denied a fair price for their wheat for domestic human consumption. It is really interesting to note that there are only two commodities which come to my mind that are produced in this country and that command less than the world price. They are both products of western Canada. I am speaking of oil and wheat. Textiles, shoes, and other products on the domestic market command a higher price than in the international market. The same is true with manufactured goods. Why do we have this continual discrimination? The oil subsidy which has been provided by the people of Alberta in terms of selling oil at far below the world price, at 41 per cent

of the world price, has amounted to billions and billions of dollars. It is over $40 billion.

An hon. Member: If you want to—

Mr. Mazankowski: I am sorry. I did not hear what the hon. member said. However, I am sure that it was intelligent. If it was intelligent, I am sure that he will engage in the debate so that we can hear precisely what he has to say.

The same thing is true with the initial payments. This minister has seen fit to break with tradition and not announce the initial payment level, as has been done previously under a former Liberal minister. As a result, producers were at a loss to know what to plant this spring. They needed some direction. Surely, because the minister is in constant touch with members of the Canadian Wheat Board, he is in a better position to advise what sort of price range will be in effect. But now we do not have a price range established. We can only surmise, from what we read in the press, that the initial prices for wheat and other grain products will be reduced.

Mr. Argue is quoted in the Saskatoon *Star Phoenix* as saying that for top red spring wheat, the price will range between $4.25 and $5.35 a bushel. That is something which is potentially in the order of $1 per bushel less; yet at the same time the Senator is calling upon the producers of Canada to grow more, at least 10 per cent more, to meet the contractual commitments. At least, if he had given them some idea as to what kinds of grains would be in demand, the producers would have had a better idea as to what to produce for the market demands.

The second reason I believe we should not pass this bill until we get a satisfactory answer is the failure of this government to come up with a clear-cut program to provide for adequate rolling stock. I touched on this yesterday or earlier this week. The fact of the matter is that our grain-carrying fleet is again on the decline. In 1980 we had some 28,400 pieces of rolling stock composed of 14,400 boxcars and 14,000 hopper cars. That fleet is being reduced at the rate of 3,600 units per year. It is primarily a reduction of boxcars owing to their deterioration from long use. The fact is that on the basis of the information which has been provided by both the CNR and the CPR, we note that by 1985 the boxcars will be reduced by about 50 per cent. Instead of having 14,400 boxcars, we will have closer to 7,000.

Clearly, something has to be done. We have to have a clearcut statement of policy about the provision and the replenishment of hopper cars. Everyone who has any knowledge in the grain trade knows that we must have a program of replenishment of the rolling stock. The minister nods his head in the positive. The other day, in response to a question which I posed, he indicated that his studies and his experience suggests that we do not have to order any additional rolling stock at the present time.

Mr. Pepin: Before the fall.

Mr. Mazankowski: The Grain Transportation Authority states that we need 1,300 every year. The Canadian Wheat Board advisory group suggests that we need at least 1,300 every year, and it recommended that the minister act very quickly and, as a matter of fact, pass the resolution. It reads as follows:

> That the Advisory Committee to the Canadian Wheat Board urge the Government of Canada through the Minister of State for the Canadian Wheat Board that orders be placed immediately for additional hopper cars in accordance with the requirements recommended by the Grain Transportation Authority.

● (1510)

The authority has recommended the purchase of 1,300 cars each year for the next four years to 1985, and approximately 900 cars per year thereafter to 1990.

There can be no doubt about that. I think they are in a position to know. The Booz-Allen report which was commissioned by the former minister, recommended that at least 1,900 cars be brought into the system annually. That was to include a factor of 15 per cent improved turn-around time. It is clear that the 1,300 cars per year is not unrealistic.

I do not believe that we will export 23 million metric tons of grain this year. At the present time we are running roughly 100,000 metric tons above last year's figure. The latest figures that I have were issued on June 10, 1981 and show our total export of grain at 18,467,000 metric tons, whereas in 1980 the figure was 18,389,000 metric tons. This year 285,000 metric tons of grain less have been moved domestically this year than last year. The total disappearance for last year was 23,882,000 metric tons, while this year it was 23,674,000 metric tons. The figure will not exceed last year's because the fleet is diminishing. Yet we are asking the producers for sufficient quantities of grain to allow us to export 30 million metric tons. It simply will not be done, Mr. Speaker.

The producers will be asked once again to build storage facilities and buy more granaries to store their grain rather than market it. We are slipping behind, and when that happens, farmers lose the incentive to produce.

If our grain transportation system becomes ineffective once again, then our ability to sell abroad will be impaired and our reputation as a reliable supplier will be impaired. This does not augur well for the total grains industry.

A lot of improvement has taken place over the last couple of years and I hope the momentum continues. It is clear that the Canadian Wheat Board can market the grain and it is clear that we can produce the grain, provided there are adequate incentives and assurances that the grain will be moved to domestic and export positions.

The third reason we should not allow the bill to pass, Mr. Speaker, is the continuing and constant threat by the railways that they will ration services in the next two or three years, particularly in the western regions. Yesterday I spoke to officials of the Canadian Wheat Board who suggested that rationing is occurring at the moment. I do not know whether the minister has another opportunity to speak, but if he has, he may want to say something about that. If such is not the case,

it would certainly please me very much if he were to set the records straight.

We all know that this is a bargaining ploy used by the railways in an attempt to get a better rate for the movement of grain. But to hear the minister, the government House leader in the other place and other ministers of the Crown acquiesce and join in the chorus that we are going to have rationing strikes me as being irresponsible. I think that anything that adds to the speculation about rationing is not good for Canadian industry and it is certainly not good from the standpoint of potential customers abroad. To allow that sort of nonsense to be perpetrated, just brings our reputation abroad under question.

I call upon the minister to sit down with the railways in an attempt to work out some kind of proposal to get us off this kick about rationing. We know what the traffic demands are in western Canada. We know that they call for about a 70 per cent increase in the use of rail services in western Canada. We know as well that it will require huge amounts of capital—$14 billion to $15 billion over the next ten years. We know that the capacity is limited at the moment and we also know—the minister will perk up when he hears this—that the railways need more revenue from the movement of grain. It is irresponsible, however, to go out across the country and beat the drums or fan the flames on the subject of rail rationing in the western system. I urge the minister to try to bring the railroads together and to bring the provinces together in some way. This problem will not be solved by one government or one railroad but will require the co-operation and joint support of all components in the grain industry and the industrial face of western Canada.

These are the components of the problem, Mr. Speaker. What we need from the government is a plan of action. This is a national problem and it is urgent. We need answers, not more threats.

I ask the minister and his colleagues to seriously consider the question and tell the House how they are going to deal with it. We need the answers now, not six months or six years hence. If the government is going to allow the railways to continue their campaign of threats unchallenged, then I say it is going to cause a prairie fire which may be very difficult to put out. The railways have a clear responsibility.

The government also has a clear responsibility. It is in charge of putting together a national transportation program and the railways are clearly under its responsibility. It must show leadership and outline how it intends to deal with the problem.

The other day, in his usual flippant manner, the Prime Minister (Mr. Trudeau) suggested that if we had not laughed at his concept of double-tracking, everything would be all right. We do not need that sort of double talk of double-tracking from the Prime Minister, Mr. Speaker. It is interesting to note that the minister in charge of the Wheat Board in the other place described the Prime Minister's concept of double-tracking using existing siding, as rather foolish and farfetched.

There is a fourth reason why we should not allow this bill to be passed, Mr. Speaker. I may be transcending the rules of relevance but this is connected to the whole matter of western agriculture and western grain production. I refer to the horrendous mess made of the administration of the herd maintenance assistance program.

I can only say that the manner in which the program was administered reflects the gross incompetence of the people involved. There were several cases where severe drought conditions prevailed and producers kept their herds in good faith. Many spent huge amounts of money on feed. In some cases people qualified, yet their neighbours did not. Certain areas were designated after the original drought area was defined, but upon the designation, the producers found that they could apply for the assistance. Some applications have never been acknowledged and people could not get through to the officials on the telephone. Appeals have not been dealt with and some applications have vanished. There has been no response to petitions, letters and appeals. Three ministers are dealing with the problem, the Minister of Agriculture (Mr. Whelan), the minister in charge of the Wheat Board—not the Minister of Transport—and the Minister of Regional Economic Expansion (Mr. De Bané). It has been a shuffle all around. In Alberta we can only conclude that it is another example of discrimination against the producers in one province. It seems to follow a pattern.

I hope that in his wisdom, the Minister of Transport in his effective way, will ask his colleagues to clean up the mess and get it over with. Some lapsed funds remain and if there is any doubt, the benefits should go to the producer. The government has discretionary powers and I hope that the minister will prevail upon his cabinet colleagues to review the matter and make a decison.

● (1520)

I conclude with one other bone of contention. It is somewhat related to the whole question of western agriculture, namely the payment of compensation arising out of support for the embargo on grain sales to Russia. Here again, the rapeseed producers have been grossly discriminated against because feed grain prices were affected.

The Minister of Agriculture has suggested he will run through the process which was followed in determining how the levels were established and why rapeseed was excluded. But the bulk of the rapeseed producers are in the province of Alberta. I say that if a case can be made for the payment of compensation to corn producers, so too can payments be made to the producers of rapeseed. There is a substitution factor. There is an interrelationship between feed grains and rapeseed meal. There can be no question about that. Prices of rapeseed declined dramatically during that period. Rapeseed producers are suffering. I would hope that as the Minister of Agriculture had a change of heart with respect to payments under the hog subsidy program, he will reconsider and add the rapeseed producers to the list of those eligible for payments of compensation under the embargo program. Then if the minister can convince his colleagues to take action on a number of these

fronts that I have talked about this afternoon, we will be glad to pass this bill.

Mr. Deniger: Would the former minister of transport entertain a question, Mr. Speaker?

Mr. Mazankowski: Yes, Mr. Speaker.

Mr. Deniger: Mr. Speaker, would the former minister of transport elaborate on his third point? He objected to the bill and indicated that he felt the railways would need more revenue for the movement of grain. How would he provide that revenue?

Mr. Mazankowski: Mr. Speaker, I am glad the hon. member has asked that question. I think there is a very clear case to be made for the federal government's responsibility and obligation to provide for payment of a subsidy on the basis of the differential between the statutory rate and the fair rate that would be determined, compensatory or near compensatory. I think the question is how best to distribute that. Should it be paid directly to the railways, to the producers, or should it be put into some form of bond? That is a matter for debate. But I think the government has a clear responsibility. It entered into an agreement with the CPR to provide those lower rates under statute. The statute rates should remain enshrined for the producers, but the railways obviously need sufficient revenues to move that grain. There may be some debate as to the capping of future inflationary increases. Those things are for debate. I think the government could accelerate this debate immensely if it came clean with a commitment saying that we are prepared to meet that gap. The debate could continue and probably we could reach a consensus sooner than we think.

Mr. Deniger: Mr. Speaker, may I be permitted another question? If the railways were given more money, is it the hon. member's contention that the purchase of rolling stock and all other related equipment should be the responsibility of the railways?

Mr. Mazankowski: Mr. Speaker, with your permission, I think this could be worked out in two ways. Because a sufficient amount of the rolling stock is either owned by the Canadian Wheat Board, farmers or provinces, you could establish a rate on the basis of the rolling stock owned by the producers and or other people. That should result in a different rate. If the rate were to be established on the basis of the railroads providing the rolling stock and the locomotive power, then of course, it would command a higher rate and it would have to ensure that adequate plant and equipment is maintained and provided. Also, if the railways are to be paid a fair rate for the movement of grain, there have to be compensating guarantees to ensure that the service is provided. You can go either way, and there is some flexibility on this.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, concerning the bill we are debating this afternoon, may I say at the beginning of my remarks that whenever I notice the date of proclamation shall be retroactive at the end of a bill, as I explained last week in the House, I get very suspicious. In the last clause of this bill, we read:

> This Act shall be deemed to have come into force on December 1, 1978.

When there are three years of retroactivity, there is only one answer, someone has boobed. In effect, we are repealing Section 3. This is a classic example of a serious mistake. I think the hon. member for Vegreville (Mr. Mazankowski) has indicated in his remarks why the government wants the bill to be retroactive, that is, to get out of its obligations with respect to this mistake which the government made in passing the bill in the House seven years ago.

The major part of my remarks today will not be directed to the current Minister of Transport (Mr. Pepin); they will be directed to the minister in charge of the Canadian Wheat Board under whose jurisdiction this particular legislation comes. He is not present in this House, nor can he be, but I know he has a very intelligent staff who will be reading these comments and will pass them on to him.

What we are witnessing today in this request for amendment is a part of a whole series of mistaken and fraudulent legislation put before this House in the last ten or twelve years. I am not accusing the government of the day or the governments of the last ten or twelve years of being deliberately fraudulent. They have simply made the mistake of listening to advisers who were wrong in 1968, who were wrong in 1945 and who were wrong in 1939. They have been wrong ever since. This fraudulent legislation, by more than a clear coincidence, seems to be funnelled to the farmers of western Canada.

The present Minister of Transport has visited western Canada in connection with a royal commission as well as on other matters. I am positive he is aware that the alienation in western Canada is not just on isolated subjects such as bilingualism, energy policy, the Constitution, and other such issues. The alienation is caused by a long series of the wrong type of help for the western farmer which has only succeeded in cutting his throat systematically and steadily. This legislation is just one small bite at the farmer's backside. That is how he looks on it.

The two-price system for wheat has been talked about for over 50 years. Every political party has talked about it, but not one has brought in a two-price system and presented it to the farmers. Every single party in this House is guilty of luring farmers into believing that they could solve a lot of their problems by giving them equality with people in the rest of the country by giving them an extra price on the small amount of wheat they sold to domestic consumers for human consumption. That fraud has been going on for 50 years. Here we are discussing amendments to free the government from financial responsibility or liability for mistakes it made seven years ago.

The hon. member for Vegreville has dealt with a series of subjects that outline some of the problems related to this bill and related to agriculture in general. I do not agree entirely with his approach to some of these problems. The differences we have are differences that are long standing and sincere in the sense we both know we can be wrong. I do not intend at

this time to go into that type of debate. What I want to do is put on the record, as the minister suggested in his opening remarks today, something for the people who read this debate, the historians who are tracking down wheat policy in the west. We must have some form of coherent discussion on the record so they know how this legislation we are dealing with today fits in.

● (1530)

I put the blame on the fact that our government in Canada, as well as governments of other western countries, have been the victims of wrong conclusions by top advisers. This goes back to the fact that after the Hitler war the economic advisers to the government and to large companies, such as grain companies, had a philosophy that there was no future for grain farmers. They pointed to the declining consumption of bread in western Europe, the traditional market for western world grain. They pointed to the deliberate increase in productivity in grain in western Europe and in Russia. They pointed out the growing productivity of the four grain producers of export grain, Australia, Argentina the United States and Canada. On the basis of their study of all the figures they had from the beginning of trade they concluded there would be a downward movement in world trade in grains.

That was the type of advice going to ministers of all western governments. That is the philosophy that still hangs on around this capital city of Canada in the deep, dark corners of economic units of the various departments. The facts over the last 50 years have proved them wrong. Even the politicians in the last three or four years have been saying they are wrong. We still get this philosophy which comes out from the Department of Transport. Civil servants in transport give secret briefings to the research members of all parties of this House on economics, and they are absolutely wrong.

This philosophy comes out in other forms. We hear grain companies making certain statements about how we should do things, for instance in respect of railways. The assumption made by the hon. member for Vegreville that we have to pay the railways a compensatory payment was not the approach suggested by the Hall commission which studied this intensively. The Hall commission recommended the obvious. Since all the indications are that the flood of goods coming out of western Canada in the coming decade and decades to follow will be tremendous. The job is not to cut railways out of existence but to reconsider where the railways should be and what they should carry. In grain alone they have now accepted, not the target of 20 million tonnes a year, but 30 million tonnes a year. In spite of the pessimism of the hon. member for Vegreville, they will attain this target because the railways make money when they are hauling a lot of stuff. The railways make money when they haul a lot of wheat. They make money when they realize that the volume of traffic on a fixed cost industry is what makes the bottom line increase. The railways are still following the advice of economists who believe there is no future for traffic in the west except on the main lines.

Therefore, I suggest to the Minister of Transport that he consider the Hall commission report, chapter 9, where it talks about getting at the problem in an economic way; not loading the taxpayers with costs that are unnecessary. Get the railways off their seats, get them out and get them making money by hauling more than just the few bushels of grain they are pushed to haul under the Railway Act.

When I look at the potash that is badly needed in Europe and the coal that is badly needed in Europe in the next 30 years, I realize it can only come from Alberta and Saskatchewan because we have the Churchill route. I know the United States and Canada have both agreed formally to help Europe out of its problems with regard to coal. The only place they are going to get that coal is from North Dakota, Saskatchewan and Alberta through the use of the Hudson Bay route. The tremendous tonnages of potash and coal required will make the railway lines pay and they will forget all about raising this question about Crow rates.

On this one point of what we are paying as a result of listening to this wrong type of economics, let me say in the first place that this debate was fought out after the Hitler war in the high levels of the department of agriculture in the United States and the reasonably high levels of the Department of Agriculture here in Ottawa. There was pressure put on in both countries, on the secretary of state for agriculture as well as the secretary of the treasury in the United States and in Canada, to realize that farming was a declining industry in western Canada, and that a policy should be followed to reduce production and get farmers off the farms.

This was not mentioned publicly; it was just the type of thing going on between advisers to the government and ministers. The ministers tried their level best to keep that suppressed but, as you probably know, the United States opted for controlling of agriculture. The United States spent huge sums of public money withdrawing good agricultural land, putting it into land banks and grasslands. It ran into tens of millions of acres. The United States paid their farmers for doing this. Our country resisted that. We went the other course of finding new markets for grain. This gave a lift to western agriculture which still exists. That change of direction quieted these experts down for awhile.

The government I am talking about was defeated in 1963 and a new government came in. It was taken over by this economic pressure. As a result, in 1969 and 1970 we had four bills introduced into this legislature aimed at getting rid of farmers all across Canada, not just in the west. They were aimed at getting rid of two out of every three farmers in the west and reducing the land to half, so that the one-third of the farmers left on half of the land that was left in use would make a reasonable living. All that was in the form of legislation brought into this House in 1969-70.

The worst and most notorious of this legislation was the LIFT program. It meant lower inventory for tomorrow; get the farmers out of production, in other words. In this Parliament, to its everlasting shame, that bill was put through. That bill that told farmers "if you do not do what your are told, you will

lose your right to sell your product" meant that for the first time in our history a government organization without legal authority directed farmers to get out of producing the only product they knew how to produce, or they would lose the right to sell. That LIFT program was taken up by 87 per cent of the farmers. They went along with it and went out of production. The other 13 per cent who had enough reserves to get through without selling anything that year went ahead and produced. You guessed it; in 1972 the price went up to $5 a bushel, and all these farmers were sitting there with no grain in their granaries because they had been told to get out of production by the same government which sits here now. In all fairness I think every Liberal can understand the feeling of satisfaction the farmers have, because of the type of program they were getting, that a former minister, Otto Lang, is no longer with us. There is tremendous antagonism to a government which would come into a program with force like a socialist state saying, "We have decided we want less production, and out you go".

● (1540)

Then there was a program to get farmers to leave their farms and go into the cities. Government ministers and parliamentary secretaries went up and down the Ottawa Valley telling farmers there was no place for them on farms in the Ottawa Valley. They said that their young daughters and young sons could go to the cities and get jobs. These farmers in the Ottawa Valley are not that stupid. They know what happens to their daughters and sons when they go to evil cities like Ottawa. That meant that the Liberal member for that particular constituency had to leave town. He went off to a safe seat down in Niagara. Knowing all these things, one would think that the Liberal rank and file would begin to put pressure on their front benches and say, "Why are you doing these things to us?"

Time rolls on. As the price went up, as I said, in 1972 to $5 and the farmers got off this low price stuff and began to grow wheat again, sure enough we dropped our long-term agreements with Russia, Czechoslovakia, Poland, Hungary, Yugoslavia and, I believe, Albania and Roumania. We dropped all those long-term agreements for our wheat because, in the reasoning of the government, since there was no market in the future, why get our farmers trying to supply the market? So surpluses built up, and then there was the period of the price wars.

Going back a step, to 1968, the government of the day in Canada agreed with the United States to abandon the international wheat agreement, which was an international cartel composed of both consumers and producers. They decided every three years what the maximum and the ceiling price would be, and they competed between those two prices.

That period of stability for which the farmers had fought so hard ended in 1968, and since that time we have got into situations where price wars have occurred. It was not very pleasant for western farmers to see their Canadian Wheat Board on two separate occasions deliberately drop the price below the U.S. price in the hope of beating out the Americans. It did not result in that. It did not pay off because there was so much market development and, so much demand developing all over the world that the economists had not even read about it, and all this so-called surplus was soaked up. After the price dipped, it gradually came back again. That is what fooled them on this legislation. They thought that because there was no market for grain in the world because too many farmers were producing, they had to bring in legislation. They would give them a little bit, but not allow them to get anything higher than a certain amount. That is why we heard the minister quote those figures today. The way this act is worked out, up until 1978, if I heard him correctly, there was a subsidy to farmers of about $76 million, but the subsidy to consumers—that is when the farmer was losing out—was $396 million. So what we have is five or six times more subsidy going to consumers, whom the act was not supposed to benefit particularly. The act was supposed to help the farmers and provide that long talked about dream that they would have the same treatment as the manufacturers get here in eastern Canada. They get a higher than world price for domestic consumption, and the farmers thought they were going to get a little bit extra for their wheat. Instead of that, there was a subsidy to the farmers of $76 million, but most of it went to the consumers, or $396 million of it. That is why I call it fraud. To come along here today and say we want to get rid of this legislation and make this act come into effect in 1978 so we will not have to pay any obligations to these producers I think is part of a whole system of fraud.

I am not going to mention the oil fact. I think the hon. member for Vegreville was quite correct when he said that it seems very strange to westerners that even to the extent of breaking the Constitution because of pressure in Ottawa the government has to ask westerners in the oil provinces to take a price less than half the world price. The governments of the west have been fairly generous; they have offered to let us have it for 75 per cent of the world price. But all we can get out of the government here is 40 per cent. This will all change in September. The businessmen of the east have now realize that they are paying a price for not having jobs for their people. As a result, I think we will see a change come this September.

On this question of a two-price system, I think we should call this effort what it really is, namely, a mistaken effort to try to help producers which resulted primarily in a consumer subsidy. Now that it has certain obligations, the government wants to get out of them and add one more black mark to those the government has been collecting over the last 12 years.

I had a list here of all the things which have been done with the legislation over the years, but the minister covered those fairly well. I would like to go on to the principles which I think will be of some use to the government if it decides to continue this type of legislation. At the present time I think the most decent thing it could do would be to drop the legislation, say it made a mistake, pay its obligations and get out of it. However, there is some argument for us to try to keep on and see if we

cannot put up some form of two-price wheat legislation which does provide rough equity for the farmer who has to sell nearly all his wheat on the export market so that at least he gets the same smount of protection when he sells in the home market, and I refer to the same amount of protection given to the people in the protected industries here in Ontario and Quebec. I think that would be a worth-while motive, but this legislation in its present form should not be dropped until the situation has been cleared away and the government has made its intentions clear. It certainly should not drop it until it has paid its obligations.

Getting on to other subjects about which I wanted to speak, I would like to say just a word about the wider question of western alienation in reference to this bill. I do not hold this against the present Minister of Transport at all. I am aiming my remarks, quite frankly, at the minister in charge of the Canadian Wheat Board in the hope that he will carry out what he has stated his intentions to be, and that is to inform the present cabinet and caucus of the Liberal party about some of the real causes of western alienation and at the same time to put forward positive, constructive proposals.

● (1550)

One of these proposals is to make certain the railways are aware of the recommendations of the Hall commission report. It is very clear to me that the railways are going to pay no attention to those recommendations. They have gone out of their way to try to subvert members of Parliament and the public to the view that they must have an adjustment above the Crowsnest rates for the hauling of grain. The Hall commission report refused to accept that proposal. The railways have to learn to accept it as well. They are not going to get a change in the Crow rates. Furthermore, they should look at the positive proposal in that report, namely to increase their marketing efforts and increase their volume. With a large proportion, 40 per cent, of fixed costs, every time you increase the volume you decrease the unit cost. I would think in a decade they can put those railways into running order, making money, and there will be no more talk about the Crow rates.

This has all happened before. We had a lot of pressure years ago on the Crow rate which culminated in the MacPherson report of 1958 to 1962, I believe. That report took the same position: We will pay your losses, but get out and make money. The push to get rid of the Crow rates suddenly stopped in 1966, because in the period from 1962 to 1965 there was such an increase in tonnage that the railways began to make money. When that happened in 1966, the then minister of transport, Mr. Pickersgill, got up and said never again will the Crow rates come up in this House because the figures show they are making money out of hauling grain. They had doubled their traffic in a short space of time before their costs caught up and they were ahead. I make that point because that is going to happen again. When we start moving our potash and coal out of the west, not to mention lumber, pulp and paper, gravel and other products, the railways will begin to make money, and there is no need for the public Treasury to help profitable companies such as the big railways.

I think that is the first point I would like passed on to the minister in charge of the Canadian Wheat Board. He has to play his part by making certain that under the Canadian Wheat Board Act the railways do co-ordinate with the grain companies and the Wheat Board. He has to know that the railways can make more money out of hauling potash and coal, and he also has to remind them that they have obligations to haul grain under the Railway Act. If you get all those things working and the railways know you are determined to see that they do it, then they will do it. However, they are tough bargainers and this has to be remembered.

My next point is with reference to the Wheat Board. I do not think the Wheat Board can continue unprotected as it is now for much longer. When it was set up in 1935, it was a two-way board. Private marketing was allowed as well as marketing through the Wheat Board. Then in 1939 four pieces of legislation were prepared and introduced in this House to get rid of the Wheat Board. However, they were saved by the fact there was a war on and the civil service here recognized that we have an agency in place to control the price of a major commodity, namely, grain. So the board was saved as a price control mechanism during the war. After the war it was carried on as a price control mechanism until we got rid of the rules and regulations dealing with the special powers during the war.

So the Wheat Board started off as a price control mechanism, but if you read the act, it does not have the powers to control. These powers, which I will not go into in detail, do not exist but the Wheat Board has been allowed to carry on reasonably independently all during these years. There was interference with the Wheat Board by C.D. Howe. When certain grain companies were not selling, he called them in, read them the riot act, and then they would sell a little more. The only other interference until 1963 was by myself, and I explained that to the House, when I asked the Wheat Board to do certain things they were not required to do under the act, and they did that. The Wheat Board was very glad that I did interfere and got them to do things that, in their judgment, they should not have done. It turned out to be very profitable for the farmers and for the reputation of the Wheat Board.

Starting in 1968 we had another kind of interference with the Wheat Board, not reported back to this House, and it slowly lost its independence. The biggest example of that was the LIFT program. No self-respecting head of the board would carry out that program. They knew it was against the law, they had no power to do it, and so the man there resigned and went to a higher place. A new man was put in and the board had to carry out that LIFT program knowing they were doing something wrong and that they had been interfered with. Then as these price wars started, they would receive letters from the minister instructing them to be competitive. They knew what that meant: drop their price, start a price war. We thought we could remedy these sorry occasions of interference by putting in an elected advisory board to replace the old appointed advisory board. All parties in this House supported that initiative. They were supposed to be there to advise the Wheat

Board on policy and sales, to put forward ideas to help the marketing of grain.

Now, I want the minister in charge of the Canadian Wheat Board to stand up for these people and give them a chance to offer input and ideas. However, on this particular legislation they were never asked for advice. It is a case of completely ignoring the very people that you set up to advise the Wheat Board. I am not an authority on the legal aspects of this, but I hear that this bill as originally passed by Parliament was changed in 1978 by order in council and the Wheat Board took over the setting of prices. I am not too sure that was a perfectly correct way of doing it. However, I would like to see the advisory group deal with these problems so they can have some input into the Wheat Board. Instead of that, I suspect the Wheat Board is putting a lot of pressure on the advisory board as to how they should think and act.

I could go on for some time on this subject, Mr. Speaker. It used to be that it was talked about in this House a great deal. However, I see it is close to four o'clock, so may I call it four o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, on a point of order. I wonder if the government House leader could indicate his intentions with respect to the legislative program we will be dealing with on Monday and Tuesday, if he can.

Mr. Pinard: My hon. colleague knows well that it is difficult for me to specify the business for Tuesday since we have agreed among the House leaders to meet at 1.30 p.m. on Monday to deal with a reasonable package for the rest of the week. In so far as Monday is concerned, I announced yesterday that we were to go on with Bill S-6 and Bill C-12 but there is a slight change. The intention is to go on with second reading of Bill S-6 and if we complete that on Monday, we will follow with Bill C-67 and then Bill C-53.

So that is the order of business for Monday. This is subject to change if, following our meeting on Monday, we all agree on something different. However, we will definitely meet on Monday to talk about the business for the rest of the week.

Mr. Knowles: May I ask the minister whether he will look at Bill C-60, to which there is a Senate amendment, to see whether that might be dealt with some day next week?

• (1600)

Mr. Pinard: Mr. Speaker, I will look at that. I suspect the hon. member will put it on his list for the meeting on Monday.

[*Translation*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Items Nos. 18 and 22 allowed to stand by unanimous consent.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. There is agreement that we will consider Bill C-225.

* * *

[*Translation*]

CANADA BUSINESS CORPORATIONS ACT

AMENDMENTS RESPECTING PROFIT-SHARING BY EMPLOYEES IN BUSINESS

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General) moved:

That Bill C-225, to promote profit-sharing by the employees in business, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, it is a great honour for me to launch the debate in second reading of Bill C-225, to promote profit-sharing by employees in business. The principle of this bill is very simple. Employees can contribute usefully to the management of corporations and when they do so, we shall all benefit from the ensuing increase in productivity. To this end, the bill promotes participation in management.

For the information of hon. members, I shall give an outline of the main provisions of Bill C-225, which will amend the Canada Business Corporations Act. First it provides, in the case of a corporation with over 100 employees, for a class of shares to be held exclusively by the employees of the corporation. This will make these employees directly interested in the performance of their corporation. A thriving corporation, Mr. Speaker, brings benefits to its employees and to the economy of the country as a whole. Certain members may wonder why this bill covers only corporations with over 100 employees. The reason for this, Mr. Speaker, is that the others already offer some kind of incentive with ownership participation. Indeed, such companies are sometimes established by a group of promoters who each hold a share in the company. However, the attraction of this provision resides mostly in the fact that successful corporations will expand, thrive and eventually have over 100 employees.

I am thinking for instance about Performance Sailcraft Ltd., a company from my own town. Its beginnings were very modest. At first, some encouragement was provided for the employees in the form of profit-sharing agreements. Today, Performance Sailcraft Ltd. enjoys an excellent reputation for its magnificent craft, the Laser, and has several plants and hundreds of employees. This shows the success of this pro-

gram. Other members may wonder why this bill provides for a special class of shares for these employees. There are many reasons for this, Mr. Speaker, the first being to provide more stability in the value of these shares, which would be held only by employees and could not be bought or sold for short term speculation. From the point of view of the corporation, this also ensures a stable source of investment capital which would not be subject to the fluctuations of the stock market. The second reason is that these would be preferential or ordinary shares, depending on the formula chosen, with the employees being entitled to receive dividends before they are paid to other shareholders.

That provision gives priority to the employee over the simple shareholder. The employees are the lifeblood of the business and this provision confirms it. Finally, that special class of shares would allow the corporation to pay dividends to its employees by issuing new shares instead of paying out cash. As you can see, Mr. Speaker, the burden of dividend payments becomes that much lighter and the number of shares held by employees that much greater. In these days of high rates of interest, that type of corporate financing which allows the company to retain its profits through the issue of new shares to its employees is by far preferable to any other form of financing, such as the issue of new shares on the general market or borrowing on the money market at extremely high rates of interest.

May I give an example of such a plan, that of The Shawinigan Engineering Co. Ltd. of Montreal. For a long time its employees have held shares as part of their fringe benefits, which is an excellent incentive since their salaries depend on the company's balance sheet. The performance of the business and what the employee makes are one and the same thing.

Experiments along those lines in the United States and elsewhere reflect the advantages of such agreements. A number of companies have noticed that this measure has cut down the rate of absenteeism. Fewer employees leave their employer which reduces the very costly rate of turnover and the need to find replacements. Waste goes down and the quality of production improves. Better still, new channels of communications are opened because the employees make suggestions on ways to improve working methods. For the Canadian branches of multinational corporations this procedure can also prove to be one way of regaining control over our economy since the employees are the new shareholders of the company.

The second significant feature of Bill C-225, Mr. Speaker, is that it provides for the presence of two employees on the board of directors of the company. That is a new element which derives from the success of *Mitbestimmung*—that is co-management—in West Germany. Co-management is another way of acknowledging that the employees can do a lot to ensure the efficient operation of the business, confirming their dual role of shareholders and employees, and enabling them to have their say in decisions which affect them. Besides, having those two employees sit on the board of directors might be a temporary expedient until such time as the employees hold enough shares to elect their own representatives to the board in the same way as the other shareholders. Those managers-employees take some of the mystery out of the corporate operations. It is one way for the employees to keep abreast of its productivity and share in the decision-making process. That is all the more important since the Canadian employees are left out in the cold when decisions are taken thousands of miles away in the international board rooms of some of our major companies. The bill will correct that situation and, I hope, improve the quality of decisions. When someone mentions the presence of employees on the board of directors, we are immediately reminded of the Chrysler Corporation which last year called upon United Auto Workers President, Doug Fraser, to join its board. That was an excellent move which will no doubt benefit this financially troubled car maker. I do regret, however, that the corporation waited until it was in financial straits before making such a good move.

As far as this bill is concerned, I did not specify how the two employee-directors would be appointed nor how the change would take place. I think it is best to leave that up to each individual corporation and its employees. However, corporations could comply with this provision by extending the membership of their board of directors. One of the objectives of this measure is to widen the decision-making base and to this end there is no doubt that an expanded board would be an asset. The choice of employee-directors is also left up to employees and corporations. Periodic elections would, however, ensure their integrity. The only provision dealing with the selection of employee-directors contained in Bill C-225 would allow the board to fill a vacancy by way of an appointment so that its work would not be disturbed by an unexpected vacancy. Some members may also wonder about the unions' role in all this. The first time the Federal Republic of Germany passed legislation on co-management, some observers were concerned that unions would find themselves in conflict of interest situations. These fears were of course unwarranted, as experience has shown. Unions continued to elect their own representatives who are responsible for negotiating salaries and working conditions. Employees elected to the board of directors other representatives responsible for the over-all management of the corporation. Even a thorough search would likely not reveal any conflict of interest.

The bill will have a positive effect on labour-management relations in that it will lessen the negative aspects of labour relations. Too often, nowadays, unions and corporations find themselves involved in long and bitter strikes, such as the one at United Aircraft in Longueuil, or plant shutdowns. These disputes are costly and leave scars that can take years to heal. Some in fact never heal and the company has to close down leaving its employees out of work. In such cases, everyone

loses, the company, the employees and the people in general. This bill will therefore reduce that type of conflicts by promoting team spirit and improving relations with employees.

Why do we need such a bill? Allow me to say a few words about the legislation now in effect and its application to profit-sharing by employees and to point out why it is no longer adequate. Reference is made to profit-sharing plans in sections 144 and 147 of the Income Tax Act. Those sections set forth the various types of plans, but such particulars are unimportant in this short statement. Briefly, employers are authorized to pay part of their profits in profit-sharing plans, their contributions being deductible for income tax purposes. However, Mr. Speaker, this provision applies especially to pension or superannuation funds and is not meant to improve productivity. It is deficient in several respects, Mr. Speaker, and I think the bill I introduced will promote better understanding between employer, and employees rather than encourage savings.

At the present time, profit-sharing schemes do not make it possible for corporations to invest in their own shares. Although theoretically they are allowed to do so, few of them do and as a result investments in a great many profit-sharing schemes are made in other securities. In the case of small businesses, most profit-sharing schemes are substitutes to pension plans. Their main purpose being to provide employees with an income after retirement rather than to increase their profit-sharing. I suggest, therefore, that the time has come for us to re-examine those tax provisions dealing with profit-sharing. I hope other hon. members will introduce amendments to favour a greater share in profit by employees and make it possible for them to acquire shares.

Mr. Speaker, we could put forward many other arguments in favour of this bill, but as we are pressed for time, I should like to hear what other members have to say about this. In conclusion, I should like to add that I have collected much material on profit-sharing schemes in several other countries, which I will gladly share with hon. members when this bill comes before our Standing Committee on Finance, Trade and Economic Affairs for a more detailed study.

● (1610)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I wish to commend the Parliamentary Secretary to the Solicitor General (Mrs. Hervieux-Payette). I am in support of the principle of this bill and I would like to say a few words with respect to it. I do so on the grounds that the parliamentary secretary asked for the opinions of her colleagues on this matter. I assume she meant her colleagues on all sides of the House. I note that the New Democratic Party is represented in considerable numbers today.

Mr. Knowles: Twice as many as you have.

Mr. Baker (Nepean-Carleton): I am sure they will have something to say about this bill as well, since the purpose of it is important. It is to promote greater participation by corporate employees in the profits and management of corporations. In the participative model which is presented in this bill, and there could be a variety of models, the employees of a corporation with over 100 employees are enabled to acquire shares on the one hand and, on the other, adequate representation for employees on the board of directors would be ensured so that they would have some part in corporate decision-making.

What this bill really says, and what it is saying quite clearly, is that not only do shareholders, the investors in a company, the proprietors so-called, have a share in the prosperity of the company and the work which it might do, but the person who works on the line, in the shop or in the office has exactly the same interest in the maintenance of that company. That does not just include the appropriate membership in a union which may represent the workers at that particular shop, but goes far beyond that. There is a necessity, indeed a requirement, for those people, if they are to realize the full ambit of their work in that organization, to have some say in the direction in which the company may be headed. The workers have a stake in the future of the business and that stake goes beyond just having a job. In effect it means taking part in the decisions which will affect how the job is being done and what effect it will have on the company.

I will not comment on the detail of the bill. That is something which a committee might deal with, if the subject matter ever reaches a committee. If the hon. member's colleagues do not follow their usual practice of talking out their own members' bills—and I hope they will not do that in this case, in fact, I pray they will not—then this matter can go to committee for further study.

As to the special categories of shares, those are matters which can be worked out in the committee. The principle of this bill is clear. If it is passed, then we will have advanced the case against the two solitudes which seem to exist in Canada with respect to the relationship between employers and employees. The parliamentary secretary mentioned a number of unfortunate work stoppages. Over the years it seems we have adopted a confrontational approach which perhaps grew out of necessity—indeed, it did grow out of necessity and neglect on the part of many employers. Both employers and workers have a stake in the future of business. All of them together, and all of us together, have a stake in the future of the country. If we are to advance ourselves in competition with trading nations, then I think we must adopt, or at least look into, some of the commitments which those major factors in Canadian commercial life have heretofore dealt with in solitude. I regret that the Canadian Labour Congress withdrew from the triumvirate arrangements. It may have had reason to but it is still a matter of regret.

If we are to advance in labour, management and ownership, the workers and the government must realize in some way that an element of partnership must exist. This means that one partner must not tread on the other. It is a good thing that we

look at this bill. I think we should also look at tax incentives. I happened to have the privilege of being minister of national revenue and I wish to tell the parliamentary secretary that within that department there is the expertise to come up with programs and plans to provide for tax incentives, incentives which would move business in this direction. I think that there is a feeling among Canadian workers that their stake in their jobs is greater than it ever was before. If there is ever an indication of the importance of the worker in corporate decision-making, it is in the presence of the union leader on the board of directors of the company, as the hon. member has said, that company which is having difficulty, and all of us hope that it will survive in the end, but a company which is having difficulty because the industry is having difficulty. I think this is something we should support.

Finally, I would like to say something about a labour-management matter which exists right now involving the Government of Canada and the postal workers. Right now we are moving into a new era. This House and the Senate passed the Post Office Corporation Act. We have moved the postal service of this country from the point of being a service provided by a government department in the traditional sense to becoming a business corporation. It is hiring a manager at a tremendous salary. I think his responsibilities will be in accordance with his salary. At least they ought to be, and if they are not, he ought not to keep his job. If it is to be a corporation, then it ought to run like every other corporation and provide a service. If it is reasonable to ask, as the hon. member has asked, that a firm with 100 or more employees allow the creation of a kind of sharing arrangement in the ownership, and thereby in the fruits of the ownership, then I hope that this debate will not be lost on the government. If we are to have the corporate set-up, if we are to have all the benefits of the labour relations code, I think it is perhaps time that we also have the opportunity to give it to those employees so they can share in the profits of that association. The government, the employees and the people will have some incentive to see that operation work, differently, apparently, than has the department, because that is the reason we are moving. It is to move out of one area which has not proven itself successful, I guess, into something else.

● (1620)

I think that perhaps my friend, the hon. member for London-Middlesex (Mr. Bloomfield), who is sitting on the backbench smiling at me right now and nodding his head in agreement, should perhaps take the message to the people in the front benches that they ought to consider a plan for that new corporation where the employees would have a stake in the continued operation of that corporation and, therefore, in the service of the country. I do not know how Your Honour translates it, but I think there are a great number of people in this country who would not mind that kind of sharing arrangement if they could see, as a result, the service continue.

As the hon. member pointed out, that is not to say that this would involve in any way a conflict between the employer on the one hand and the employees' union on the other. There is a great deal to unionism which goes beyond strikes. From time to time unions get a bad name because of strikes. However, there is a great deal which goes beyond strikes. These include conditions of work, hours of work, safety, and a whole host of other things outside the whole question which we always hear about, that management-union relations and strikes are part of the unions' responsibility. The fact that there have been great advances for working men and women in Canada since Confederation, I think, is something that can be laid at the feet of militant unionism.

I came from a small town where they produced—all hon. members have heard of it—Mazola, Crown brand corn starch. It was a plant which operated for years, the Canada Starch Company, under a benevolent owner. People decided to organize that plant. At the time it was organized, they said that would be the end of the plant, they could never make a profit, they would have to close down, they would have to do this, and they would have to do that. They went through all those early traumatic beginnings. Then, United Food Processors came to that plant. As a result, wages increased. Of course they increased, as they would have increased under the benevolent owner, although perhaps not as much. They have had a relatively peaceful history of labour negotiations.

However, from the point of view of the working man and woman in that plant, not only has his or her pay package increased, but working conditions have been better. They never thought they should have showers in a place which was dusty and dirty. Now they have showers. They never thought that there was any safety problem in the machine shops and in the moving parts of the factory. It was brought to attention by the safety people in the union, and a benevolent management recognized that as an oversight and dealt with it. As a result of the marketing stance of that company, the town is prosperous and the business is expanding. It provides employment and excellent working conditions for the people who likely would not have achieved the same conditions but for the existence of the union and the confrontation which took place. They are at this stage now.

I think that one could say of that company, although it is a large one, that perhaps the time has come when a company like that might consider sharing its profit and its management decisions with people who have the greatest stake in the company, the investors themselves. That is the purpose of the bill. I think if it can eliminate the two solitudes or the three solitudes, business, government and labour in this country, then I think the principle is one worth promoting.

In fact, I may say to the hon. member that she is likely on the cutting edge of a change of attitude in Canada with respect to this matter. I commend her for bringing forward the bill. If no one on her side had seconded it, I would have seconded it. I hope that somehow or other her friends will not talk the bill out and that somehow or other at least the subject matter of the bill would get to a committee. As a matter of fact, if I had a motion in my hand, I would propose it myself. If there is an hon. member who would propose that, then I would be pre-

pared to support the reference of the subject matter to a committee.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Thank you, Mr. Speaker, first of all, I want to commend the hon. member for having moved the bill. It is not a novel concept by any means if one looks at world events; but the time has come for this idea in Canada. While I can hardly imagine that by itself it will resolve all the labour problems which creep into society from time to time, I am sure that it will go a long way toward making people feel as if their efforts in the workplace were of some value. All too often, the attitude is that there is management on the one hand and labour on the other, that somehow or other each has a peculiar thing that they can offer and that there is no way that one or the other can infringe on the opposition's area of expertise. I think that is wrong.

I want to say to the Parliamentary Secretary to the Solicitor General (Mrs. Hervieux-Payette) that I think it is important that we take a look at this matter. I do not want to leave the wrong impression. I do not think that this will be an easy task, by any means. I do not think that moving from the current labour relations attitudes, from the current management prerogatives attitude, to an over-all situation which will embrace the involvement of the so-called workers in the management decisions will come with ease.

I am positive that just as it took a great deal of time and effort to build the labour relations structure which is presently in place—even with all of its faults, it works very well in the main; it works very well in most instances—just as it took a long time to develop the trust and to get people to accept it, it will take a long time for us to get the whole idea of the democratization of the workplace to reach a level of similar acceptance. That should not in any way inhibit us from trying. That should not stop us, as the hon. member for Nepean-Carleton (Mr. Baker) has just said, from having the matter studied further and having recommendations come back to the House of Commons to be dealt with in far more detail.

It is a very complex topic. To support the principle is not necessarily to support all of the detail. The detail does not necessarily always work in the way in which it is conjured up for the purposes of the creation of one bill. But I think that if the government really believes that this is a worthwhile move and that the way to improve the labour relations situation is to involve Canadians in Canadian enterprise, to encourage the commitment of Canadian workers to the companies for which they work and also to Canada as a whole, then the government might look at its own obligation in this regard, and rather than show the way, lead the way.

● (1630)

There is within the civil service, whether it be in the Post Office to which I intend to make reference or in the many Crown corporations which are tied to the government, ample opportunity to enable workers to become involved in management decisions and thus show to private enterprise and the public that this kind of democratization of the workplace can yield substantial results.

Reference was made earlier to the experience in Germany of co-determination which has worked reasonably well. Not too long ago I was in Germany and indeed I spent quite a bit of time there some years ago discussing that very matter. I saw how workers can be encouraged and can be elected to management boards.

People on the floor of the shop take part in the decision-making. Who knows better about the way the assembly line works than the man or woman whose place is there? Who knows better whether it is being used to its full capacity or if there are ways of improving productivity, of improving safety, of encouraging the worker to share the expertise which can only be gained by pushing the buttons, measuring the stock, taking the finished material and checking it over? Surely that expertise ought to be available to those who may never have worked in the shop but who may have received their education in a university or community college. They are hired to manage but do not know how things really work in the shop from personal knowledge.

I have always felt that if we were to tap the brains of the individuals who make the product and allow them to take part in making decisions about the allocation of resources, the way the line works, hours of work and the assignment of responsibility, then the work place would be more productive and happier. That would make for a better society in general.

It is a shame about a place like Johns-Manville, which comes to mind, where it was well known that working conditions were contributing to the development of lung cancer in workers. The workers knew this but the managers who sat in their air-conditioned offices some distance away from the shop, continued to resist year after year the call to clean the place up and make it safer. In the final analysis, government had to pass a law to protect the workers.

Had the workers been able to participate in management, that need not have had happened. They could have made representations about the benefit that would flow to the corporation if their recommendations were implemented. They would have been more productive and their health and safety would have been protected.

I can think of many, many other examples, where the process proposed by the hon. member for Mercier could be helpful.

For years there has been talk about profit sharing. Perhaps Dominion Foundaries and Steel Limited is the largest profit sharing company in the country. There is no question that the people who work for that company in Hamilton, many of whom are my neighbours, have a great deal of loyalty to it. They may argue from time to time about working conditions, they may feel aggravated or think that they deserve better—that is human nature and I suppose from time to time they are right—but I know from speaking to them that as a result of profit sharing there is far more loyalty to that corporation than there is to others manufacturing similar products.

When the workers see production levels and profit margins increase, they feel that it is worthwhile to put more effort into their work. At the end of the year they can see the company-matched profit sharing plan grow by leaps and bounds and know that is is available for them in the future. Such a plan must be implemented willingly, but when it is, the benefit flows not only to the workers in the plant, but to the company and, perhaps more important, to the nation.

I think that key elements of the industrial strategy about which the Minister of Industry, Trade and Commerce (Mr. Gray) has been speaking, must be the degree to which we are prepared to allow the people of Canada to participate in decisions about the manufacturing process, and the way in which we harness the resources of this country in the interest of this and future generations.

We are delighted to support this bill and see it sent to committee for study, Mr. Speaker. I should like to ask the sponsor if she would consider saying, when presenting it to cabinet, that if the government were to alter its attitude toward its own employees, involve them in the decision-making processes and show by example that it has faith in its own employees to the extent that it is prepared to invite them to become part of management and if it can show that this results in increased productivity and a better atmosphere in the work place as well as reduced costs, then there might be less difficulty in selling her bill to the private sector.

Someone mentioned the Post Office. What can one say about that, Mr. Speaker? It is hard to believe that a better attitude could not have been developed within the Post Office, and I think the hon. member would agree with that. I cannot imagine that profit sharing would work there, but I think the hon. member could appreciate that if workers had been involved in the management of the postal service and the operation of the Post Office, we might not have a strike today.

Mr. Baker (Nepean-Carleton): What about efficiency bonuses?

Mr. Deans: I do not know how that would be managed; perhaps from the sale of stamps! Efficiency is very much a function of the way in which the management system operates.

● (1640)

An hon. Member: Are you for or against the bill?

Mr. Deans: I think you heard me say that I am for it. Sorry, you were not here, but before you came in to the chamber, I said I was for it.

At any rate, in the case of the Post Office, if you were to look at the way in which it has operated, it was bad management decisions which put in those extremely large sorting houses which have mail move from one municipality to another and back simply for that purpose. The people who work for the Post Office, at least those to whom I spoke, said that the system would not work, that it would be less efficient and that it should not be implemented. When they were saying that to me, they were also saying it to their own managers. They were saying that the system was not a good idea, that it would not work, that the sorting machines, and the way in which this procedure had been separated out from the normal process that used to be there and worked very well, should not be implemented. If this kind of participation had been encouraged by government, and if management had been encouraged to listen to the workers, and if the workers had had their ideas incorporated, I say to the hon. member who smiles that we would not have the mess we have today. Because I happen to believe that is true, I feel it is worthwhile supporting the bill.

It is strange that any time workers are asked to participate in a company, at least in historical terms, it is when a company is in terrible shape. Companies never come forward and ask for participation when things are going reasonably well. They only come forward and ask when things are the pits, when a company is on the downslide and near the bottom. Then companies are eager to have everybody's participation, workers and government alike.

Mr. Baker (Nepean-Carleton): That is what we have to make sure does not happen.

Mr. Deans: I think we have to be cautious. I did not say always, I said almost without exception, and I always leave a little leeway for those unusual circumstances, which the hon. member can no doubt recall, given his vast memory.

That has always happened, in my experience. Doug Fraser was not asked to sit on the board of Chrysler when Chrysler was doing well. In fact, when it was suggested they might be prepared to participate in the days when Chrysler was doing well, they were told to mind their own business. I think we have to try to break that syndrome. That is what this bill does, and that is why it is worthy of support.

In any event, speaking on behalf of most of my colleagues—

Mr. Knowles: All of us.

Mr. Deans: —here and absent they would be prepared to see the matter discussed further.

I have one last point. It always seems strange to me how companies respond to this kind of thing. When profits are up, companies do not want to share because they need the profit for the future. They say that, after all, they invested their money and are, therefore, entitled to their return. But when profits are down, companies simply lay off workers. It is a strange system under which we operated. In my opinion, a lot of education is required before we will be able to change the minds of the corporate sector. I hope that, with the Liberal and Conservative parties representing primarily the corporate sector, given that they have offered their support to the bill, they will be able to lobby their friends in the corporate boardrooms and encourage them to accept this very enlightened view. I can assure you, Mr. Speaker, that we will have no difficulty with the very enlightened leaders of the trade unions in getting them to accept that this kind of move is necessary and worthwhile. We will do our job. I wish you well in yours.

Profit-sharing by Employees

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, the hon. member for Nepean-Carleton (Mr. Baker) has asked me to speak very briefly, and I will. I just want to reiterate what he has said and what the hon. member for Hamilton Mountain (Mr. Deans) has said.

We are debating what I believe to be a most important issue for the country. My colleague, the hon. member for Montreal-Mercier (Mrs. Hervieux-Payette) has drawn attention to one of the most pressing problems facing Canada today. It is her hope, and for that matter the hope of every responsible member of this House, that we might find some way, some mechanism, for continuing industrial peace in this country.

My colleague has gone further than that. She has stated that the objective of the bill before us now is not only harmonious relations between labour and management across Canada but continued and even increased productivity and profitibility of Canadian corporations from coast to coast.

As is stated in the bill before us, which I will paraphrase, it is recommended that businesses incorporated under the Canada Business Corporations Act create a special class of shares to be held by its employees, that holders of those shares have a prior right to dividend payments, and that employees be represented by two of their number on the board of directors of the corporation. These amendments would apply to all federally incorporated businesses with over 100 employees. I do not think it can be argued that my hon. colleague had anything other than the best interests of the nation in mind when she proposed the amendments to the current legislation. Considering the problems facing us and facing others in the western industrialized world, I believe this kind of innovative thinking and fresh approach is needed now and will be needed even more in the future.

If I may, I wish to speak to the two major provisions of my colleague's proposal. Looking first at the question of profit sharing, I agree with my colleague that employee ownership of shares in their own company provides a strong psychological and financial commitment to a particular corporation. I wonder, however, if the British, Scandinavian and French employee profit sharing incentives will, as Professor Ziegal points out, prove to be an exercise in discount buying and short-term profit taking. Studies in those countries have shown an overwhelming tendency on the part of employees to sell their company shares approximately eight months after purchase.

On the other hand, there is significant experience in this country among major corporations in this area. A fairly large number of Canadian-based corporations offer discount share options to their employees and, from all reports, employees are taking advantage of such an investment opportunity. While I am in full agreement with my colleague from Montreal-Mercier, there is nothing in the current Canada Business Corporations Act, to prevent employees from investing in their own corporation.

Second, considering the current economic difficulties shared by all western industrialized nations, it could be argued that the proposed amendment to the Canada Business Corporations Act carries with it an implication of compulsion that might prove detrimental to corporate activity and expansion. I want to make it clear that I believe the passage of the profit sharing provisions of the proposed amendment involve not a difference of opinion between myself and my colleague, but rather a difference in the consideration of appropriate timing.

On the whole, I cannot but commend my hon. colleague for her foresight in bringing to the consideration of this chamber such a progressive proposal. I cannot characterize the bill as radical because its inherent logic and inevitability are evident. However, because of the questions I have raised and certain other questions in the minds of some of us, I believe it would be short-changing business and labour in Canada if we as Parliament adopted any measure of this potential magnitude without a complete and fair investigation and debate.

In that connection, I move, seconded by the hon. member for Ottawa Centre (Mr. Evans) that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-225, an Act to promote profit-sharing by employees in business be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1650)

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Those in favour please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

I declare the amendment carried.

Motion agreed to.

Mr. Deputy Speaker: Shall the motion, as amended, carry?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Accordingly, the order is discharged, the bill is withdrawn and the subject matter thereof is referred to the Standing Committee on Finance, Trade and Economic Affairs.

Order discharged and bill withdrawn.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business having now expired, this House stands adjourned until Monday next at 2 p.m. pursuant to Standing Order 2(1).

At 4.51 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, July 6, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SEARCH AND RESCUE

SINKING OF "ARCTIC EXPLORER" OFF NEWFOUNDLAND—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. Some time on the morning of July 3 the Canadian motor vessel *Arctic Explorer* sank off the northern tip of Newfoundland with the loss of 13 lives. From the time the vessel was reported missing it took over five hours to get search aircraft in the area. This could have been a critical factor. The commanding officer of the search and rescue co-ordinating centre in Halifax said in an interview last December 26:

The Canadian armed forces rescue co-ordination centre here is so short of manpower and aircraft it could not respond to a mid-ocean tragedy.

He went on to say:

—we need fixed wing support out of Gander, Newfoundland.

I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House directs the Minister of National Defence to take immediate steps to have fixed wing aircraft stationed in Newfoundland in order to reduce the critical time factor in getting search operations under way off the coast of Newfoundland and in the northwest Atlantic.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY CONVENTION—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas reports out of Vancouver indicate that the gaggle of NDP members visiting that city last weekend are in intellectual and political disarray; and whereas 37 per cent of that flock of honourable socialist birds denounced their leader's unfortunate tendency to honk in unison with the Prime Minister (Mr. Trudeau), I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House console the dissident members of the little red rump by granting their leader leave to spend the rest of his term in Cuba, El Salvador or wherever—without pay.

Some hon. Members: Oh, oh!

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SEARCH AND RESCUE

NEED FOR ADDITIONAL RESOURCES—MOTION UNDER S.O. 43

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, like my colleague, the hon. member for St. John's East (Mr. McGrath), my motion deals with the country's lack of funding, manpower and equipment for rescue co-ordination which is outlined again in the tragic circumstances of the loss of the Canadian survey ship *Arctic Explorer* off Newfoundland last Friday. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the government immediately allocate more resources for better search and rescue capability on both coasts, particularly at night, and cease the delay and procrastination in following the advice of men such as Captain Powick who warned many months ago, and I quote, "We need fixed wing support out of Gander, Newfoundland; we have requested it but perhaps someone will wait until we have a tragedy and then suggest it."

Now is the time to do something before we have another tragedy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PARLIAMENT

CALL FOR ABOLITION OF SENATE—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

That this House notes that in addition to its being an undemocratic, non-responsible and virtually useless although very expensive institution, the Senate has now been humiliated by a Prime Minister who treats it as a joke, a toy to be

played with to suit his own purposes, and this House, as a humanitarian gesture, calls for the immediate abolition of the Senate, so that Their Honours in that other place can be put out of their misery.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

NEW DEMOCRATIC PARTY CONVENTION—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In light of the fact that the NDP have just concluded a convention which they began by barring a segment of the press, then proceeded to advocate withdrawal from NATO, a ban on the mining and export of uranium, and a constitutional position repugnant to their only elected provincial government, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the Leader of the NDP explain to the House why the insult to western opinion was not made complete by a resolution condemning wheat farmers for not selling their grain at a loss.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CORPORATE AFFAIRS

SERVICE STATION LEASING PRACTICES OF OIL COMPANIES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas some large oil companies are increasing the rents to lessees of service stations at exorbitant figures, making it next to impossible for the lessees to make a reasonable standard of living, I move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That this House urges the Minister of Consumer and Corporate Affairs to carry out an investigation to ascertain if these increases are in accordance with fair practices for small business and/or if this is a left-handed way of getting rid of lessees, and thereby tightening monopolistic control.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

MECHANISM TO REDRESS HIGH OPERATING COSTS—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the federal Minister of Agriculture (Mr. Whelan) has had meetings with representatives of the Canadian Cattlemen's Association and the Ontario Federation of Agriculture which have certainly identified the financial disaster faced by the red meat industry, particularly in Ontario; and whereas the federal Minister of Agriculture continues to befuddle the farmers, the public at large, financial experts, and even his own cabinet colleagues by his comments on agriculture and the economy; and since the Minister of Agriculture has not yet responded to the needs of the agricultural sector or been capable of influencing the Minister of Finance (Mr. MacEachen) to address the specific problem in the red meat industry, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Agriculture immediately establish a financing mechanism through farm credit or regular government banking institutions to redress high operating costs in agriculture.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FITNESS AND AMATEUR SPORT

FUNDING FOR NORTHERN GAMES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the fact that the federal government has repeatedly confirmed its commitment to amateur sport, and in view of the fact that the department of fitness and amateur sport has abdicated its responsibility for sport in the north to the Department of Indian Affairs and Northern Development, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That this House express its outrage that the Minister of Indian Affairs and Northern Development would spent $35,000 on a film promoting the Northern Games while refusing to spend less than half that sum to insure that this year's Games will take place.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

POLITICAL PARTIES

ATTENDANCE OF MR. FRIESEN AT NEW DEMOCRATIC PARTY CONVENTION—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in view of the fact that the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) attended the entire proceedings of the New Democratic Party convention in Vancouver, thereby learning how a political party should work and how, as was stated by Michael Valpy in his article this morning, the public issues of the day should be debated, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House congratulates the hon. member for Surrey-White Rock-North Delta for his willingness to undertake this lesson in democratic politics, and regrets that no member of the Liberal party was willing to experience a similar uplifting experience.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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POST OFFICE

CALL FOR INTRODUCTION OF BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the disastrous effects on Canada's economy, particularly on the small business sector, and on those who rely on their fixed income pension cheques at the end of each month, caused by the strike of CUPW employees and the failure of the mails to move, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That this House require the government to bring in legislation now to get the mails moving again and to get the two sides back to the negotiating table.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

NEW DEMOCRATIC PARTY CONVENTION—MOTION UNDER S.O. 43

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. During the past weekend in very solemn conclave, 62 per cent of the NDP voted to remain in bed with their leader and the Liberals, while over one third opted for the Tory position on the Constitution. During the same weekend they voted to withdraw from NATO to keep from associating with the United States, but to remain in NORAD where the United States is the only partner. The weekend has somewhat muddified their various positions. Therefore I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the NDP issue a supplementary manifesto clarifying its position. It could be added to the Regina Manifesto so that the Saskatchewan NDP would have something to show for their very, very long weekend.

Some hon. Members: Hear, hear!

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THE ECONOMY

CALL FOR INTRODUCTION OF EMERGENCY BUDGET—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the rate of bankruptcies of all kinds continues to climb in Canada, whereas approximately 300 farming families, 10,000 small and large businesses and 30,000 individuals will succumb to bankruptcy by the end of 1981, and whereas the government's high interest rate policy is directly linked to his astonishing rate of business and personal failures, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That this House condemn the Minister of Finance for his unnecessary punishment of Canadian businessmen, farmers and home owners, and call on him to table immediately an emergency budget which deals with the bankruptcy problem so that enterprising Canadians are not destined to defeat before they even begin to finance their businesses, farms and homes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

TIMING OF PARLIAMENTARY SUMMER RECESS—EFFECT ON POSTAL STRIKE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister. It deals with the stand-off in the negotiations in the postal strike. On Friday the Prime Minister indicated the government's position on the strike when he said:

We have taken the clear position that there is no intention to settle this strike by legislation. It will, and should be settled by the bargaining process.

In view of what appears to be the present state of the negotiations, or the lack of negotiations, and that the government House leader indicated that the House may well rise on July 10 for a recess until the Wednesday following Thanksgiving, does the Prime Minister think it is wise to adjourn the House before this particular dispute has been resolved and settled? Will he in fact allow the House to recess over the summer months before the strike is resolved?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my understanding is that our House leader has never indicated any precise date. I think the date of July 10 was mentioned by the Conservative House leader. We will adjourn as soon as the business before the House is completed in an acceptable fashion. I repeat that part of that business is not to legislate a return of the CUPW.

• (1415)

It seems to me that the union leaders have put themselves in a difficult position for us to satisfy them. Mr. Parrot has made it clear that, if legislated back to work, he would disobey the order. He seems to be making it clear by his actions that he does not want to return to the bargaining table. Therefore, I am at a loss to know what would advance negotiations or a settlement in this area. Certainly we do not want to legislate a union back for many reasons, but at this particular time when the union leader himself says that he would rather go to jail than obey the law I do not know why the hon. member would suggest legislation right now, under those circumstances.

Mr. Hnatyshyn: Madam Speaker, the proposition which the Prime Minister puts forward is a rather novel one. He says that he is afraid to legislate if there is some concern that the full force of law would not be brought to bear against those who do not obey it.

EFFECT OF STRIKE ON SMALL BUSINESS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary question is for the President of the Treasury Board. On June 30 the minister said:

—that members opposite have no monopoly on concern for the people of Canada and the difficulties they will have in enduring this strike.

I would like to ask the minister about his concern for the businessman, particularly the small businessmen of this country. As we all know, many businesses are staggering under the burden of the government's unprecedented interest rates. Bankruptcies are soaring. It is estimated by the Canadian Organization of Small Business that there will be between 1,000 and 1,500 bankruptcies per week as a result of the postal strike. Can the minister explain to the small business community how his concern will help them to remain solvent? I know that the minister's paycheck is delivered by messenger, but what about the rest of the people of Canada? What does he propose to do to help them?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I remain in contact with the small business community. I had a discussion with Mr. Bulloch this morning in order to get a feeling of what the circumstances are. He is monitoring the problems and the costs. I hope the banks are responsive to representations being made that where it is clear that accounts are mounting because of the postal strike, per se, consideration will be given to businessmen in those circumstances.

ROLE OF POSTMASTER GENERAL

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my final supplementary question is for the hidden cabinet minister in this whole business, that is, the Postmaster General, who I am sure has a passing interest in this matter. I am sure after what he did last year he has been kept out of the negotiations this year.

The Canada Post Corporation is scheduled to be brought into effect on September 1 of this year. I know that the Postmaster General will not want this new corporation to start up under the pall of having its employees on strike. Is it the minister's intention to proceed with the order in council which would bring the Crown corporation into effect on September 1 and to transfer the negotiations in this matter to the Crown corporation and away from the Treasury Board, or will he just sit by and let matters drift, allowing this strike to carry on for the duration of the summer and until Parliament reconvenes?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the date of September 1 is an objective we have in mind. Of course several events may occur between now and September 1 which will make it difficult to proclaim the act at that time. I simply want to remind the hon. member that nowhere is there a firm and written guarantee that the Act to establish the Canada Post Corporation will be proclaimed on September 1. It is a date we have set as an objective and the Post Office officials who are busy drafting the regulations and setting in motion the provisional mechanisms to change the department into a Crown Corporation will be ready around September 1. It is, unfortunately, too early for me to be in a position to say whether or not the proclamation will take place on that date.

• (1420)

[*English*]

DELIVERY OF SOCIAL SECURITY CHEQUES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, pensions, family allowances, veterans' allowances and unemployment insurance cheques are very important elements in many families for meeting their expenses these days. I have a question for the Minister of Supply and Services in view of a response that he gave in the House on Friday. He said that at that time talks were under way with the letter carriers' union to see whether they would assist in the distribution of this type of cheque during the course of the postal strike. At that time he said that he was not sure what the status would be. I would

ask the minister now if he could provide information to the House as to what the position will be regarding the delivery of these cheques in the future.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, if I understood the hon. gentleman's question properly, I can tell him that the negotiations, or at least the discussions with the LCUC have not as yet been completed. They are being conducted by officials within the administration of the Post Office. I might say to the hon. gentleman that while the indications are positive that the LCUC would carry through and would deliver the cheques, I insisted that that undertaking be given to me in writing. As I indicated on Friday, in the event that we are unable to obtain such an undertaking in writing, we will have a series of distribution centres throughout the country which will be responsible for the distribution of the socioeconomic cheques that the hon. gentleman has identified.

[*Translation*]

And those cheques, Madam Speaker, include, as I indicated on Friday, pension cheques, family allowances, old age security, the supplements and all pensions distributed throughout Canada, including the Canada Pension Plan benefits.

[*English*]

DELIVERY OF JUNE CHEQUES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is directed to the same minister. On Friday the minister did state that all the cheques which were due in the month of June had been delivered. I would point out that the information he had received is wrong. There are many of us on this side of the House who have received phone calls from individuals who expected those cheques. They have not been received.

I would first like to ask the minister what action he is proposing to ensure that those cheques are delivered. Second, in the establishment of the emergency distribution centres, would the minister take account of the problems which many individuals have in reaching these centres? As an example it is very awkward to get unemployment insurance cheques today in rural communities and in centres like Metropolitan Toronto. In Toronto the distribution centre is at Broadview and Queen. It is not convenient at all to the normal rapid transit services. In addition to that, the people who are expecting cheques do not know whether their cheques are in before they arrive down there, so they may take a long trip and find out that there are no cheques available. Would the minister ensure that there are more convenient means available to citizens to pick up these cheques when he is establishing this emergency distribution process?

Hon. J.-J Blais (Minister of Supply and Services): I might indicate, first of all, with reference to the first part of the hon. gentleman's question, that I would appreciate it if all members of this House would advise me in the event that there are any cheques due in June which have not been received, and I will ensure that those cheques are forwarded as soon as practicable. If there are a number of them, that number has not been communicated to me.

I see that the hon. member for Yukon is identifying himself as one recipient who has not received his cheque.

Mr. Nielsen: No, no!

Mr. Blais: I would be pleased to receive further particulars relating to that particular failing.

In terms of the distribution centres, I might advise the hon. gentleman that we are attempting, in all instances, to have storefront operations for areas which are readily accessible to the total population. I would appreciate any co-operation that all hon. members of the House might be able to provide me in order to ensure that those individuals who are entitled to cheques are made aware of the circumstances of the distribution. As I also indicated on Friday, we have an advertising program which is being put in place in order to advise people within areas of where the distribution centres will be located and how the payments are to be effected.

• (1425)

GOVERNMENT STEPS TO RE-ESTABLISH NEGOTIATING PROCESS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I address a further question on the postal situation to the Prime Minister. In view of the Prime Minister's clear statement on Friday, and again today, that the government does not intend to bring this dispute to a conclusion by introducing back to work legislation, a position with which he knows we agree, but in view of the seriousness of the situation, and the suffering that is being endured, what positive steps is the government prepared to take to try to re-establish the process of negotiating? To what extent is the government prepared to move in the hope that the other side might also move to a certain extent, so that the two parties can be got back to the bargaining table? Since the Prime Minister says that is the way it must be done, will the government do its part in getting back to the bargaining process?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as far as the first part of the question is concerned, which asks what the government is doing to try to have negotiations resume, I have a letter from the President of the Treasury Board, of which I am sure he would send a copy to the hon. member, indicating the times when we have attempted to get CUPW back to the negotiating table from which it withdrew the Friday before the strike. There were direct and indirect attempts to get them to come to the bargaining table, including, I believe, one at ten o'clock on Monday evening. The union leaders have consistently refused to come to the table.

In so far as the hon. member's suggestion is concerned, that I might indicate what we are prepared to do in order to incite them back, I would think that the hon. member is too experienced in matters of labour relations to think it would be appropriate for me to indicate any particular area where

bargaining can and should take place. The process of bargaining should take place between union leaders and government representatives, not between the hon. member for Winnipeg North Centre, eminent as he is, and myself, as uneminent as I am.

Some hon. Members: Oh, oh!

GOVERNMENT POSITION ON ITEMS IN JASMIN REPORT

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, first may I make it clear that I used the word "encourage", not the word "incite". May I say to the Prime Minister that we are prepared to admit that there have been faults on both sides in the past. The question is what can now be done? In particular, if the government is not prepared to agree in advance to all of the conditions set out in the Jasmin report, is the government prepared to indicate which of those conditions it will accept, which of those conditions it will discuss, in the hope that this might encourage the other side at least to resume the negotiating process?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am absolutely certain that once the parties sit down at the bargaining table the President of the Treasury Board, through his officials and negotiators, will indicate some areas where we are prepared to reject and perhaps some we are prepared to accept. Once again that is a matter for the negotiating process, not for an informal exchange of views between the hon. member and myself.

In so far as his correction about encouragement rather than incitement is concerned, I should have thought it would be encouragement enough for the workers to know that they would be able to resume the service that the people of Canada want and desire, they would be able to see their fellow workers return to work, they would be able to see small businessmen taken out of the difficult straits that have been described in this House and, perhaps, even most important, that they would be looking forward to the prospect of some $25,000 per year payment for the average letter sorter. That does not seem like a bad enticement, Madam Speaker, to come to the table.

REQUEST THAT PRIME MINISTER SEEK ADVICE

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, again I say that we appreciate the fact that there have been faults on both sides in the past. We are not now discussing the past; we are now discussing the impasse. I have been trying to get from the Prime Minister some willingness to do something that would get the two sides together. If he does not have any ideas along this line, may I remind him that the Minister for Indian Affairs and Northern Development and the hon. member for Lincoln on previous occasions, in the midst of all night sessions, were able to settle some of these disputes. Would he seek some advice from them in the hope that we might get action soon?

Right Hon. P. E. Trudeau (Prime Minister): I take that, Madam Speaker, apart from the fact that it rests with some members on this side, as a suggestion. I will consider the suggestion.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. WILHELM HAFERKAMP, VICE-PRESIDENT OF THE ECC

Madam Speaker: It is my pleasure to draw the attention of the House to the presence in our gallery of Mr. Wilhelm Haferkamp, the vice-president of the European Communities Commission.

* * *

● (1430)

[*English*]

SEARCH AND RESCUE

CIRCUMSTANCES SURROUNDING SINKING OF "ARCTIC EXPLORER" OFF NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of National Defence I would like to direct a question to the Minister of Transport who is responsible for the Canadian Coast Guard. The minister will know that some time on the morning of July 3 the Canadian vessel *Arctic Explorer* sank shortly after leaving St. Anthony, five miles off the coast, with the tragic loss of 13 lives, including most of the members of the crew. Is the minister in a position to tell the House the circumstances surrounding this latest marine tragedy off the Atlantic coast?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not. The causes of the tragedy are unknown.

May I pause for a moment and on behalf of all members of the House, express our sympathy to the families of the crewmen who died in this accident.

The hon. member was mentioning a moment ago that he thought the reaction process of search and rescue was not sufficiently rapid. I might underline the fact that there was no message from the ship itself as to its situation. It was only a day after that the search and rescue authorities were advised that the ship was late in reporting. It took only 15 minutes to get the search and rescue on its way. This included the sending of three coast guard ships, two Buffalo aircraft, one long-range Aurora, two helicopters, etc.

Mr. Nielsen: When did they get there?

Mr. Pepin: I do not think that one should indicate now that the rescue reaction was slow in coming.

POSITIONING OF SEARCH AND RESCUE AIRCRAFT

Hon. James A. McGrath (St. John's East): Madam Speaker, my question was not intended to be critical of the coast guard but the search and rescue capability as it exists at the present time. But the minister will be aware that reaction time could be a critical factor, and only an inquiry will determine that. No doubt the minister is aware also that on December 26 of last year the Commanding Officer of the Canadian Armed Forces Rescue Co-Ordination Centre in Halifax said:

> The Canadian Armed Forces Rescue Co-Ordination Centre here is so short of manpower and aircraft it could not respond to a mid-ocean tragedy.

He referred to the task as trying to cover an amputation with a band-aid. He went on to emphasize the desperate need for the stationing of fixed wing aircraft in Newfoundland.

There was a reaction time in this case. It took almost five hours to get the fixed wing aircraft into the search area. During that period men were in the water. This reaction time could have been cut to less than half that taken if these aircraft had been operating out of Newfoundland. The minister knows that helicopters can only effect a rescue. It takes fixed wing aircraft to effect a search.

Why did the government not respond to this recommendation of the commanding officer of the Rescue Co-Ordination Centre and I might also add the recommendation of his colleague, the Minister of National Revenue? The Minister of National Revenue expressed his concern last August over the lack of a search and rescue capability, referring to the fact that marine disaster calls had risen by 62 per cent in the area. That is a serious situation. I do not want to make capital out of it, but how many more people have to die before these people are listened to?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I could give my hon. friend a report on the addition to expenditures on search and rescue in the last year or two. It is considerable. At the earliest opportunity I will provide these figures. It is almost inevitable that we do not have sufficient equipment because of the type of coast Canada has. It would take huge sums of money to provide all the equipment that is needed at all times for all kinds of accidents in all places. There is a limitation, obviously, as to what can be spent. Be that as it may, a preliminary investigation has already been ordered by the Minister of Transport. Two investigators are already at the site and hopefully we will get to know more about the real causes of the tragedy.

POSSIBLE DEPLOYMENT OF FIXED WING AIRCRAFT IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, why are some fixed wing aircraft not deployed from bases in the maritimes to Newfoundland? If that were done up to 1,000 miles would be added to their operating capability and it would cut response time to literally next to nothing. For example, if fixed wing aircraft had been in Gander they could have been in the search area in less than one hour.

Mr. Nielsen: It would take only two or three aircraft.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as the hon. member knows, this is a responsibility which is shared by the Minister of Transport and the Minister of National Defence. I try to provide as many ships as money will allow. He tries to provide the air equipment. I think I will leave it to the Minister of National Defence to answer tomorrow on the specific point raised by the hon. member.

* * *

AUTOMOTIVE INDUSTRY

CONSTRUCTION OF VOLKSWAGEN PARTS PLANT IN ONTARIO

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. As the minister is aware, Volkswagen desires to construct a parts plant in Ontario, either in Cambridge or in Barrie, which will employ some 500 people. Last Thursday Ontario's minister of industry and tourism stated:

> Volkswagen needs to have a decision in the next two weeks. The federal government, I understand, is holding up a decision while they try to encourage Volkswagen to look at other locations which Volkswagen rejected a long time ago. My message is, let's not hold up a decision on duty remission in order to persuade Volkswagen to go to an uneconomic site and risk losing the entire 500-job investment in this province.

Will the minister confirm to this House that he is holding up the decision with respect to this project, and will he acknowledge that he is doing it for the most crass political purpose, that of wanting it either in Windsor or in Quebec?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, Volkswagen is seeking from the federal government a very substantial duty remission program which would involve a contribution of millions of dollars from taxpayers from all over Ontario, and in fact from all over Canada. I believe the federal government has an obligation to these taxpayers to ensure that all suitable sites are looked at, including those that are designated under programs such as Regional Economic Expansion and industry and labour adjustments, where there are areas of slow growth or high unemployment. I certainly do not think that the company should be pushed to go into any uneconomic areas. But in the circumstances, for cabinet to agree with this proposal, it will have to be satisfied that all suitable sites have been looked at and that the best interests of the entire Canadian population are being served in this transaction.

DECISION ON TARIFF REMISSION

Mr. Chris Speyer (Cambridge): Madam Speaker, as the minister knows, if a decision is not made in the next two weeks we will find that Volkswagen will be going to the United States. Can the minister tell us when he will make a decision with respect to remission of tariff.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the decision in question has to be made by cabinet as a whole. It is a matter of particular

interest not only to myself but to the Minister of Finance and the Minister of National Revenue. It is our intention to move expeditiously on the matter, but cabinet as a whole will have to be satisfied as to the benefits in relation to the costs of this project for the Canadian people as a whole.

An hon. Member: When?

Mr. Gray: I am surprised that the hon. gentleman is not more sensitive to these concerns in view of the potential cost to taxpayers not only all over Ontario but all over Canada.

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[*Translation*]

POST OFFICE

POSSIBILITY OF ISSUING STAMP TO COMMEMORATE HEADS OF STATE SUMMIT MEETING AT MONTEBELLO

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, my question is directed to the minister responsible for the Post Office.

With a view to highlighting very specially one of the historic events of this country, particularly of the Petite Nation region and more precisely of Montebello, can the minister tell the House whether his department has any plans to issue a stamp to commemorate the meeting of the seven heads of state which will take place in Montebello on the 19, 20 and 21 of this month?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, that is a very interesting suggestion which I will be pleased to convey to the committee members who advise the Post Office Department on the selection of Canadian stamps.

* * *

[*English*]

INTERNATIONAL WHALING COMMISSION

WITHDRAWAL OF CANADIAN MEMBERSHIP—CONSULTATIONS WITH DEPARTMENT OF THE ENVIRONMENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, in the absence of the Minister of the Environment my question is directed to the Acting Minister of the Environment. Was the Department of the Environment consulted by the Secretary of State for External Affairs and by the Minister of Fisheries and Oceans before the government decided to pull Canada out of the International Whaling Commission? Does the Department of the Environment support the position of the government to pull Canada out of the International Whaling Commission? If so, what possible environmental grounds are there for such a decision?

• (1440)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I thank the hon. member for his question. Of course the Minister of the Environment was consulted on this matter. We support the decision that was made.

REASON FOR WITHDRAWAL

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce. Did the government pull out of the International Whaling Commission because it feared that Canada's support for a ban on commercial whaling would alienate the country's major trading partners engaged in commercial whaling, in particular the U.S.S.R. and Japan? Did the government fear it was going to alienate the U.S.S.R. and Japan? Was that the cowardly reason for its stupid decision on this important matter?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): That was not the reason, Madam Speaker.

* * *

EMPLOYMENT

FUNDING FOR WOMEN'S OUTREACH PROGRAM

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Minister of Employment and Immigration, a non-hero to millions of Canadian women, particularly those women associated with the Outreach program. Hon. members will have heard of that. On Monday last the proxy for the minister in the House during the adjournment debate said in connection with the transferring of funds from other programs to Outreach that a decision from Treasury Board was expected shortly. Can the minister tell us if this has come and what it is?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows, Madam Speaker, we increased the budget for Outreach this year. We have also substantially increased the number of projects that are allocated to women's employment services this year. Contrary to the hon. member's suggestion that nothing has been done, a number of very important steps have been taken. We are reviewing a way by which we can broaden and amplify the Outreach program to reach an even broader range of people in the community. We are taking a number of measures both in representing our interests to the Treasury Board and in other ways to allocate funds to provide additional support for this very important program.

TIMING OF DECISION ON TRANSFER OF FUNDS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, perhaps the minister did not hear me. I asked whether he would follow up on the adjournment debate in which his proxy, the Parliamentary Secretary to the Minister of Fisheries and Oceans, said that a decision from Treasury Board on the matter of transferring funds to Outreach would be made shortly. Has that decision been made? If not, when is it expected to be made since, as he knows, the deadline is September and these people are waiting to know what is going to happen to their Outreach programs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the hon. member is asking a question related to increased funding. I stated that we have an application before Treasury Board. In addition, we are looking at other ways by which we can add resources to that very important program. When the decisions are taken we will announce them in the House. The hon. member will be one of the first to know, and I am sure she will be very glad to carry the news back to all those people who seem to be pressing her for an answer.

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NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT—STANDARDS SPECIFICATIONS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is for the Minister of Supply and Services. A recent report from the United States indicates that in order to get approval for production of the F-18 fighter aircraft, standards had to be met. They were. They were lowered. The most notable changes were the reductions in acceleration and range. Steps are also being taken to economize on the aircraft with cutbacks in cost of production of the aircraft of some $500,000 to $1 million per aircraft. Do we have an updated arrival schedule for the F-18s for Canada? Will they be the economized version? If so, will the saving be passed on to Canada?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am pleased with the hon. member's question and his interest in the CF-18 program. I might advise him that, at the time of the signing of the contract, a number of specifications had been identified relating to the performance of that aircraft. We are satisfied that the specifications so identified will be met and that the aircraft we receive will be the aircraft for which we have contracted. There is no change in the delivery schedule. We expect the first aircraft to be delivered by October, 1982. All indications to date are that that schedule will be satisfied.

Mr. Bradley: I am afraid the minister has more faith than I have.

REQUEST FOR REVIEW

Mr. Bud Bradley (Haldimand-Norfolk): The minister will be aware that it is the fighter version of the F-18A that has been approved for production. The attack version, the aircraft that Canada is purchasing, has not been approved. The radar for it is not even developed yet. A review, not approval for production of this aircraft, is not due until the fall of 1982, the same date we are to receive finished aircraft in Canada. Obviously we will not be receiving them on that date. With reduced standards for acceleration and range, and the possibility of a problem in radar development, three major factors required for surveillance and defence in the north of Canada, does the minister not think we should sit down and take a long second look at this aircraft?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, it is evident from the hon. member's question that he is in need of better information. I would be pleased to have him completely briefed on the CF-18 program as the hon. member for Victoria was briefed. We expect no reduction in the standards. There is no delay in the delivery. We feel that the contract is a good contract and that the aircraft will meet all specifications. I might point out that one of the strong points of the aircraft is the superiority of the radar which is at the leading edge of technology. We are satisfied that the radar will be exactly that which is our requirement, in fact will supersede the radar presently installed in all fighter aircraft and will be at the leading edge for some time to come.

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DOMINION CONTROVERTED ELECTIONS ACT

TRIAL OF PETITION RESPECTING SPADINA RIDING

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Prime Minister. It arises out of the transformation of a former member of this House to a million dollar man in the other place. Last Friday, in answering questions dealing with the controverted elections act, the Prime Minister said he had taken the step he had to "save the hon. members' lawyers money". Will the Prime Minister indicate why he informed the House that he was saving money with respect to the petition under the controverted elections act in view of section 88 of the act which reads:

—the trial of an election petition under this Act shall be proceeded with, notwithstanding the acceptance by the respondent of an office of profit under the Crown, or the resignation of his seat—

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are two facts I would like to put to the hon. member. First, the government is not a party to these litigations. The litigations are between an individual and the chief electoral officer and his representative. Second, there is a general principle of law to the effect that, when an object of a litigation has been met, it is frequently the practice to discontinue the litigation. I was merely suggesting in this House that since the object of the litigation was to cause the election to be void and to create a byelection situation, the litigants should

be thankful that I anticipated their most cherished desire and caused a byelection to be held. It is on that basis that I said that as far as the objective of the litigation was concerned, mainly to cause a byelection, it was no longer necessary. However, if the parties want to continue to litigate on the basis of the section that the hon. member quotes, obviously we are not in a position to prevent them from doing so. It is for the parties to make up their minds.

Mr. Stevens: Madam Speaker, I am only informing the Prime Minister as to what is the law of the land. It says, "The action shall be proceeded with."

EFFECT ON WESTMINSTER CONSTITUTIONAL DELIBERATIONS

Hon. Sinclair Stevens (York-Peel): My supplementary question deals with another matter touching on this controverted elections petition in the riding of Spadina. Is the Prime Minister aware that those who brought the action fully informed Prime Minister Thatcher and her cabinet in Westminster that they were contesting not only Spadina riding but they felt that the implication was that the entire Parliament was under a cloud? If the Prime Minister is aware of this, would he confirm to the House that this matter has been raised in discussions between his officials and officials at Westminster concerning the early passage of the constitutional resolution, should it ever get to that side of the Atlantic?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not sure I understand the question correctly, but if I do it seems to me the kind of question the hon. member usually asks which is founded on nothing at all, no nothing at all, no reality and no facts, but just for the purpose of starting malicious rumour.

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[*Translation*]

TRANSPORT

FUTURE OF NORDAIR—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Transport. When will the minister remove the uncertainty which exists concerning the future of the Nordair Company and especially that of its employees?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I mentioned earlier that I had become engaged to Regionair. This was the word used by the press. In fact, we are trying to arrange a marriage of convenience and they usually take somewhat longer than love matches.

[*English*]

Mr. Scott (Hamilton-Wentworth): Madam Speaker, this has to be the longest courtship in Canadian history.

POSSIBLE OPTIONS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my supplementary question is directed to the same minister. Since it has taken so much time—like about two and a half years—to work out an agreeable formula between Nordair and Quebecair, is the Minister of Transport considering as one possible option leaving Nordair with Air Canada, or could another option be to allow Nordair to be under the control of its employees? In any case will the minister please give us some sort of time-frame or some definite date when Nordair's employees' frustrations will end?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have said from the beginning—and I have not changed my mind on that subject—that I was trying to effect a merger between Regionair and Nordair. That has been a firm position from the beginning.

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THE ECONOMY

HOLDING OF FEDERAL-PROVINCIAL CONFERENCE

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, my question is addressed to the Minister of State for Finance. I would like to ask the Minister of State if he would kindly tell the House what efforts are being made—and whether they will be successful—to hold a federal-provincial conference in the fall on the economy. Is this going to be held and, if there is a prospect of this, what will the agenda include?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, as all hon. members know, the Prime Minister has had discussions with some of the provincial premiers. Moreover, the Minister of Finance is now visiting the various provincial finance ministers to get their opinion about the present state of the economy, and he also intends to have a much more official meeting with them in the fall. Naturally, the general subject of the state of the economy will be on the agenda of this meeting, as well as other issues, such as negotiations for the fiscal arrangements with the provinces.

* * *

[*English*]

POST OFFICE

SEVENTY-FIFTH ANNIVERSARY OF CANADIAN SCOUTING—REQUEST THAT COMMEMORATIVE STAMP BE ISSUED

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have a question for the Postmaster General. This question may be somewhat academic, unless the minister's colleague, the President of the Treasury Board, backs off from some of his positions and allows the Postmaster General to enter into negotiations.

I want to ask the minister if he is aware that this is the 75th anniversary of the scouting movement in Canada and if he has had any requests for a special stamp to honour this occasion, or if he will be issuing a special stamp when the appropriate time comes to mark the 75 years of character building by the scouting movement in Canada.

Miss Jewett: What about the Girl Guides?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Yes, Madam Speaker. We are aware of the anniversary not only of the Boy Scouts, but also of the Girl Guides, and the Post Office Department will be happy to commemorate in due time both the Boy Scouts and the Girl Guides of Canada.

* * *

[*English*]

HOUSING

LOCATION OF SUBDIVISION IN HAMILTON, ONTARIO

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Housing. In Hamilton there is a government-sponsored subdivision across the street from a closed—but currently monitored—dump site. The interest rates for the mortgages have increased from 11.75 per cent to 19 per cent this year. The people there cannot sell because of the high cost of acquiring homes and because of the dump site proximity. Does the minister have any suggestions on what might be done to alleviate this problem for these people who are there primarily because the government decided to put the housing subdivision there?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I did not have previous notice of this question or of the specifics of the location the hon. member has brought to my attention. I would be happy if he would specify the location and the problem so that I can take a look at it.

I might indicate that the federal government alone is not responsible for all matters concerning housing. The location and subdivision approval process is carried on by the local government. It is approved by the provincial government.

However, having said that, if I have notice and if I am given the location of the property, I would be happy to take a look at the matter to see if I can offer any suggestions.

REQUEST FOR ASSISTANCE TO HOME OWNERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it may be true that the minister of housing has no knowledge. The Prime Minister is aware of it. The Minister of the Environment is aware of it. Given the very unusual circumstances surrounding this particular subdivision will the minister of housing look at it separate and apart from the normal course of policy decisions, and try to determine whether the government can, in those exceptional circumstances, provide some additional assistance for those individuals, given that they are locked in?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I cannot do anything more than I have undertaken to do thus far, and that is to inform myself of the situation, get the information from the other ministers who, the hon. member says, are already informed, and respond to the hon. member when I have that information.

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REGIONAL DEVELOPMENT

EXTENSION OF NORTHLANDS II AGREEMENT WITH MANITOBA

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Minister of Regional Economic Expansion, but he has left the House, so I will direct it to the Right Hon. Prime Minister.

On June 29 I asked the minister when the federal government would be signing the Northlands II agreement with the province of Manitoba. At that time the minister indicated to me that there would be a one-year extension.

The minister has returned. I will direct my question to him. The minister indicated there would be a one-year extension of the Northlands II agreement. Why did he make that statement, in view of the fact that he has not returned telephone calls or answered letters or telex messages asking for negotiation? At no time was there a discussion or agreement on a one-year extension.

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, that type of representation does not take into consideration the daily contacts we have with the hon. member's colleagues in the provincial government. I remind the hon. member that just in the last few months I have met several times with ministers of the Manitoba government and the premier himself. The Prime Minister was in Winnipeg a few weeks ago to announce the most important program of my department in Canada, which will be in Winnipeg.

On the question of Northlands, if there is one government which is sensitive to the plight of the people living in that region, it is the federal government through its various agencies. As I told the hon. member the other day, we have extended that agreement. We are looking at new ways of reducing the disparities of that region.

If the provincial government would like from now on to put its representations to me through the hon. member, fine. I will not dispute that way of doing things, but I will take note of that way of operating.

Mr. Epp: Madam Speaker, the minister can say what he likes; the fact of the matter is that he has not had agreement on that one year extension, and he has not signed the North-

lands II agreement. There has been absolutely no agreement on a one year extension.

LEVEL OF FUNDING PROVIDED UNDER AGREEMENT

Hon. Jake Epp (Provencher): Madam Speaker, with respect to that one-year extension, the minister has not been returning telephone messages and telexes. Will that one-year extension at least be based on the past level of funding, namely, $18 million, or will it be based on the reduced amount the minister's officials put on the table, which would reduce even further the building of roads and schools in northern Manitoba, to which the minister says his government is committed?

● (1500)

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I really feel uncomfortable in answering such questions, but let me assure my hon. colleague that he is completely misinformed. One of the most costly projects I have been working on for several months in all of Canada is precisely northern Manitoba, and I am doing it in very close co-operation with the government of Manitoba. To the hon. member I say, I do not mind if they brief you, but please ask them to put you in their confidence and give you the whole story.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF STUDY OF CONDITIONAL RELEASES

Hon. Bob Kaplan (Solicitor General): Madam Speaker, pursuant to Standing Order 41(2), I have the honour of tabling in the House, in French and in English, the Solicitor General's Study of Conditional Releases.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,660, 2,324, 2,349, 2,431, 2,486, 2,522 and 2,616.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

PMO MEETINGS WITH CANADIAN JOURNALISTS

Question No. 1,660—**Mr. Bosley:**

Were Canadian journalists invited by the Prime Minister, the Minister of Justice, the Minister of the Environment, the Secretary of State for External Affairs or any other representative of the government to meet during May, June, July, August and September, 1980, with representatives of the government to discuss constitutional or other questions and, if so, in each case (a) what was his/her name (b) who issued the invitation (c) were any fees or expenses paid or met and, if so, what were they (d) what were the dates of the meetings?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

In so far as the Prime Minister's Office is concerned:

(a) and (d) Canadian journalists were invited by the Prime Minister's Press Office to meet during May, June, July, August and September, 1980, with representatives of the government to discuss constitutional or other questions, as follows:

May 5, 1980: Pre-briefing, Visit of President of Mexico, José Lopez Portillo

Jack Best, Peter Desbarats, Luc Lavoie, John Ferguson, Craig Oliver, Gale Morris, Peter Lloyd, Brian Kelleher, Paul Racine, Michael Valpy, Terry Wills.

May 5, 1980: Briefing, Visit of late Prime Minister Ohira of Japan

Michael Benedict, Jack Best, Ken Colby, Peter Desbarats, Mike Duffy, Bill Fox, Richard Gwyn, Gilbert Lavoie, Robert Lewis, Craig Oliver, Andy Szende, Jack Redden, Michel Vastel.

May 6, 1980: Briefing, Venice Economic Summit

Kathy Lynas, Gilbert Bringue, Jack Redden, Wayne Cheveldayoff, Mark Phillips, Mike Duffy, Brian Smith, John Ferguson, Jim Munson, Bill Fox, Craig Oliver, David Halton, Brian Kelleher, Mary Janigan, Russ Mills, Stuart Langford, Paul Racine, Bruce Yaccato, Andy Szende, Bill Levitt.

May 26, 1980: Briefing, Visit of President of Mexico, José Lopez Portillo

Jack Best, Craig Oliver, Gilbert Bringue, Mary Janigan, Ken Colby, Bill Fox, Fiona Conway, Allan Pressman, Richard Daignault, Stuart Langford, John Ferguson, Peter Lloyd, Norman Fetterley, Jim Maclean, Gilbert Lavoie, Sidney Margles, Jennifer Lewington, Jim Munson, Michael Valpy, Mark Phillips, Michel Vastel, Terry Wills, Andy Szende.

June 4, 1980: Briefing on the Constitution

Craig Oliver, Claude Papineau, Mark Phillips, Paul Racine, Ben Tierney, Michel Vastel, Bruce Yaccato, Mary Janigan, Brian Kelleher, Norman Fetterley, Luc Lavoie, Judy Morrison, Jim Munson, Andy Szende, Geoff Stevens, Terry Wills, John Ferguson, Bill Fox, Mike Benedict, Peter Lloyd, Terry Hargreaves.

June 16, 1980: Briefing on the Constitution and the Economy

Nat Cole, Geoffrey Molyneux, William Gold, Andrew Snaddon, Ivor Williams, Dona Harvey, Joan Fraser, Doug Harkness, Claude Bourque, Don Wilson, Bill Callaghan, Ian MacNeil.

(b) In each instance the invitation was issued by the Prime Minister's Press Office.

(c) There were no fees or expenses paid or met.

In so far as the Minister of the Environment is concerned:

(a) and (d) While the minister met frequently with Canadian journalists to discuss constitutional and other questions, in only two cases were the meetings a result of ministerial initiative.* The two journalists were: Mr. W. Fox and Mr. A. Szende.

(b) Members of the minister's staff.

(c) There were no fees or expenses paid or met.

* On several occasions. (d)

The Minister of Justice, the Minister of State (Multiculturalism), the Secretary of State of External Affairs and the Solicitor General: No.

CBC—MR. JOHN YOUNG

Question No. 2,324—**Mr. Bosley:**

1. Was Mr. John Young, a lawyer who resides and practices law in Dartmouth, Nova Scotia, appointed as a director of the Canadian Broadcasting Corporation and, if so (a) on what date (b) what was the (i) amount of the stipend (ii) amount for expenses, including transportation, hotel accommodations and meals paid to him since his appointment?

2. Were legal matters handled by the firm Boyne, Jones, Murrant & Young, of 33 Queen Street, Dartmouth, Nova Scotia, for the corporation since Mr. Young's appointment and, if so (a) how many (b) how many were handled by the individual partners, Thomas Boyne, Robert Murrant and John Young?

3. Were legal matters handled by this firm's associates, Maynard Brown and Gordon Proudfoot, for the corporation since Mr. Young's appointment and, if so, how many?

4. What amount was paid to the firm and individuals named in parts 2 and 3 by the corporation since Mr. Young's appointment?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes.

(a) December 9, 1976.

(b) (i) $250 a day when the board of directors is meeting. The stipend was raised from $150 a day as recently as February, 1981.

(ii) When the board of directors is meeting each director is entitled to a subsistence allowance, government-approved hotel rates, plus an allowance for daily meals and incidental expenses, as provided for under CBC by-laws. He or she may also claim any transportation costs actually incurred in connection with any meeting of the board or committee thereof, or while engaged in the business of the corporation. Mr. Young's expenses have been paid in accordance with these allowances.

2. Some legal matters have been handled by the firm on behalf of the CBC since September, 1978.

(a) Three lawsuits and two consultations.

(b) Thomas Boyne—one consultation.

Robert Murrant—three lawsuits, one consultation.

John Young—none.

3. Of the five instances noted, one lawsuit was handled by Robert Murrant and Maynard Brown, another lawsuit by Robert Murrant and Gordon Proudfoot. Robert Murrant and Gordon Proudfoot were also involved in one of the consultations.

4. It has not been customary to require the CBC to provide such details of its internal management and administration as its financial arrangements with private firms. The background to this custom is explained in the reply to question No. 2,530 answered November 6, 1975.

DUTY-FREE SHOPS AT BORDER CROSSINGS

Question No. 2,349—**Mr. Crosby:**

1. Did the Minister of National Revenue establish an advisory committee to make recommendations on the approach to licensing of duty-free shops at border crossings and, if so (a) under what authority (b) what are the names and qualifications of the persons appointed members of the committee?

2. Does Mr. Ralph Ferguson, Parliamentary Secretary to the Minister of State (Small Businesses and Tourism), serve on the committee and, if so, does this conflict with his duties as a member of Parliament or as a parliamentary secretary?

3. Does Mr. Claude Tessier, Parliamentary Secretary to the Minister of National Revenue, serve on the committee and, if so, does this conflict with his duties as a member of parliament or as a parliamentary secretary?

4. Do either Mr. Ferguson or Mr. Tessier receive an emolument or compensation of any kind including travel or related expenses?

5. Will the committee, whether or not it includes Mr. Ferguson or Mr. Tessier, have an opportunity to recommend applicants for licenses and, if so, will the political affiliation of the applicants be considered?

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue):

1. Yes

(a) The Duty Free Shop Advisory Committee was authorized by a Cabinet decision.

(b) The individuals on the Committee were selected by the various associations, agencies and departments taking part in the program. Membership for the Advisory Committee was drawn from the following:

The Canadian Export Association

The Tourism Industry Association of Canada

The Canadian Federation of Independent Business

The Department of National Revenue, Customs and Excise

The Department of Transport

Order Paper Questions

The Department of Industry, Trade and Commerce (Through the Canadian Government Office of Tourism and the Small Business Secretariat

The Canadian Crafts Council

The Association of Canadian Distillers

The Canadian Tobacco Manufacturers Council

The Canadian Wine Institute

2, 3 and 4.—Please refer to the Parliamentary Secretaries Act.

5. The committee will not be recommending applicants for licences as the mandate of this advisory committee is specifically limited to the following functions:

The criteria for licensee selection;

The procedures for licensee selection;

The criteria governing standards of operation;

The principle upon which a fee structure is to be established to generate revenue to the federal government apart from the direct departmental costs which are to be recovered from each operator;

The pilot test site(s).

CERCLE UNIVERSITAIRE D'OTTAWA

Question No. 2,431—**Mr. Cossitt:**

With reference to the answer to question No. 1,591 in the case of the heads of Crown corporations, etc. who are mentioned as belonging to Le Cercle Universitaire d'Ottawa with fees paid for by the government, in each case, what was the benefit to the taxpayer from such membership?

Hon. Donald J. Johnston (President of the Treasury Board):

(a) I am informed by the Atomic Energy of Canada Ltd. as follows: the president of AECL holds a membership on behalf of the corporation in Le Cercle Universitaire d'Ottawa. This membership provides him with appropriate facilities to pursue the work of the corporation and to meet AECL domestic and foreign clients and associates in a more informal setting. Benefits to the taxpayer result from AECL's successful pursuit of commercial opportunities.

(b) I am informed by the National Research Council as follows: the benefit of a membership in Le Cercle Universitaire d'Ottawa is being able to extend authorized hospitality and meeting accommodation to visiting scientists and dignitaries from Canada and abroad, on occasions consistent with the role of the NRC as the federal government's principal research agency. Also, the NRC has no other such facility directly available to them.

(c) I am informed by the Science Council of Canada as follows: although the council's reply to question 1,591 showed that membership fees are paid to Le Cercle Universitaire d'Ottawa for Dr. Claude Fortier by the corporation, these fees are reimbursed.

(d) I am informed by the Crown Assets Disposal Corporation and the Royal Canadian Mint as follows: the memberships are considered to be a legitimate business expense in the interest of the corporation's activities.

BRUCELLOSIS COMPENSATION

Question No. 2,486—**Mr. Herbert:**

Since the inception of the program to eradicate brucellosis, by province and by year, what was the amount paid and number of cattle involved?

Hon. E. F. Whelan (Minister of Agriculture):

Compensation for: Brucellosis Fiscal year: 1957-58 to 1980-81

Year	Nfld and N.W.T.		P.E.I.		N.S.		N.B.		Quebec		Ontario	
19—	R	$	R	$	R	$	R	$	R	$	R	$
57-58			2	200	175	7480	2	140			172	10252
58-59			26	2292	245	17454	188	12398	5972	413792	4527	357806
59-60			15	1826	187	12411	234	18030	8980	579111	12071	893616
60-61			9	871	43	3061	30	1951	9814	635499	9803	713215
61-62			7	594	69	5334	44	3233	10868	717574	6167	455930
62-63			2	262	12	934	35	2052	9396	628292	3741	274629
63-64			1	133	20	1787	13	861	14062	924089	2943	221372
64-65			3	392	18	1274	17	978	13072	844740	2505	191508
65-66	6	685	5	612	77	5874	16	1319	9139	610711	1067	83280
66-67	3	280	5	521	27	1940	14	1205	5007	339732	770	61747
67-68					31	2363	10	761	3368	229593	669	52717
68-69					3	359	1	65	2085	144905	785	61494
69-70	1	105			7	694	2	198	1494	147139	268	28385
70-71	1	120							1695	171644	230	25221
71-72	1	304			1	174	4	382	733	74796	270	31166
72-73					2	198			455	49718	248	31116
73-74					2	230	1	111	814	110296	1501	240703
74-75			7	1400	5	928	4	898	1694	337745	6097	1261589
75-76	3	500	5	1300	1	451	3	846	2707	561888	5093	2080341
76-77			5	1348	1	600	7	1057	5879	1327404	12208	3000628
77-78			4	1909	12	2145	3	536	4679	1371301	11112	2971275
78-79			2	187	631	143752	3	453	3043	714871	4283	979124
79-80					5	2033	2	1706	2576	1338198	3335	1873869
80-81			1	78	2	920	1	1331	1989	1517764	718	389614

	Manitoba		Saskatchewan		Alberta		B.C.		Total	
	R	$	R	$	R	$	R	$	R	$
57-58							22	1309	373	19381
58-59	102	7178	1218	81246			45	3837	2323	896003
59-60	3749	258809	4385	288254	104	6654	66	4093	29791	2062804
60-61	5924	501148	3688	247891	2275	152488	1965	139669	33551	2395793
61-62	8102	558728	4284	288293	3107	211268	362	26262	33010	2267216
62-63	2697	183875	3918	269408	2560	169578	278	19996	22639	1549026
63-64	1336	97143	1931	133209	3323	219953	186	13035	23815	1611582
64-65	1029	72357	1044	73744	2196	148916	170	12420	20054	1346329
65-66	532	36216	832	56576	1005	66643	66	4750	12745	866666
66-67	467	27852	886	60823	297	19657	67	5110	7543	518867
67-68	509	33406	705	48484	219	14251	112	8907	5623	390482
68-69	354	23628	387	28202	184	11639	52	4609	3851	274901
69-70	303	33664	885	93752	212	20585	9	878	3181	325400
70-71	676	70853	1074	120056	205	21443	3	306	3884	409643
71-72	553	58641	2026	217929	217	22505	1	94	3806	405991
72-73	554	64505	2477	286850	361	40478	3	575	4100	473440
73-74	898	124533	4028	539903	1508	237079	97	24041	8849	1276896
74-75	1398	267549	4320	811096	2264	496939	135	44568	15924	3222712
75-76	4145	736934	3090	571265	4568	996485	1901	280146	21516	5230156
76-77	4270	815899	5620	1085523	4571	847195	2202	384116	34763	7463770
77-78	3017	644298	3531	497642	5720	1157636	1609	262473	29687	6909215
78-79	2091	408984	3454	564721	5638	1055168	1797	363577	30942	4230837
79-80	1068	399854	1090	335294	2787	919962	817	416426	1680	5287342
80-81	2281	1017022	299	79915	697	205447	16	7489	6004	3219580

R: Reactor

INTERNATIONAL PROGRAM FOR THE DEVELOPMENT OF COMMUNICATIONS

Question No. 2,522—**Mr. Fretz:**

Does the government intend to contribute to the launching and implementation of the International Program for the Development of Communications and, if so (a) what amount of money and manpower (b) what are the names of the Canadians involved (c) which international agencies will receive assistance (d) which countries have been selected for assistance?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

In so far as the Department of Communications is concerned, the reply to the above question is as follows: as a member of the 35-state Intergovernmental Council of the International Program for the Development of Communication (IPDC) Canada will participate in the first meeting of the council in mid-June; at that time Canada and the other member states will contribute their views on the organization of the work programme and the direction it should take.

(a) and (b) Canadian contributions to the IPDC cannot be determined until such organizational and functional decisions have been made. It is not expected that actual project selection will be decided upon during the first meeting of the council.

Following the meeting consultations will continue with appropriate Canadian government departments and non-governmental organizations to determine the nature and substance of Canadian participation in the program.

(c) and (d) It is the Canadian view that close co-operation is necessary between the IPDC and international agencies involved in communications, but it is premature at this stage to specify the exact role of these agencies vis-à-vis the IPDC, or the countries which will receive assistance through the program.

CCA—CONTRACT WITH MICHAEL MILLS PRODUCTIONS LTD.

Question No. 2,616—**Mr. Stewart:**

Did the Department of Consumer and Corporate Affairs contract with Michael Mills Productions Ltd., Westmount, for $10,000 for the provision of special artwork services and, if so (a) what services were performed (b) for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services):

DSS awarded a contract to Michael Mills Productions Ltd., Westmount, on behalf of the Department of Consumer and Corporate Affairs. The value of the contract was $10,000.00.

(a) The services provided were for the artwork and production of a "children's teaching aid" in comic book style in both official languages.

(b) For the education of children regarding hazardous symbols such as poisons, explosives, inflammables etc.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

Order Paper Questions

[*English*]

Mr. Beatty: Madam Speaker, I rise today for the ninth time with regard to question No. 1,852 which I put on the order paper December 9. You will remember when I rose in the House for the eighth time last Tuesday that the parliamentary secretary, in giving his excuse as to why he has been unable to get the minister responsible for freedom of information to give an answer to the House, indicated that the answer appeared to be more complicated than it seemed at first. I wonder if I can just put on the record for you the wording of that question so you can see that it can be answered in less than one paragraph. The question is this:

1. Is the chairman of the Canadian Film Development Corporation included in the corporation's conflict of interest guidelines?

2. Does the chairman maintain an interest in a private law practice and, if so (a) with which firms and in what capacity (b) does the firm conduct any business on behalf of clients in the film industry?

Again, that question could be answered if the government chose to do so. If the minister responsible was not stonewalling this House it could be answered today. The information was given by the chairman of the CFDC to the minister some months ago. The term of office of the chairman has run out since that time and the minister still has not supplied the parliamentary secretary with the information.

Mr. Collenette: Madam Speaker, the hon. member has, as he indicated, risen for the ninth time on this particular question. He seems to believe that repetition of his question will hasten the answer.

Mr. Baker (Nepean-Carleton): Well, something should.

Mr. Collenette: I have told him quite sincerely on a number of occasions that what to him may require a simple answer or may appear to be a simple answer may very well require a complex answer, because the government wishes to answer questions in their totality, if I may borrow that phrase. Therefore, we want to make sure when answers are tabled in the House that they satisfy every aspect of the hon. member's concern.

Mr. Deans: Madam Speaker, my question No. 1,483, submitted July 17, 1980, with regard to FIRA approval of conditions relating to Houdaille Industries in Oshawa, has not yet been answered. Given that FIRA has indicated they provided the answer almost a year ago, I wonder if before the House rises for the summer the minister could find out what became of it. It may well have been mislaid, but the answer apparently has been given some many months ago to the appropriate minister.

Mr. Collenette: Madam Speaker, again without accepting the premise that the answer has already reached the minister, I will certainly look into the matter.

GOVERNMENT ORDERS

[*English*]

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed, from Friday, July 3, consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be read the second time and referred to the Standing Committee on Agriculture.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, when I was speaking on Friday last about this bill I was emphasizing the fact that unfortunately it has turned out to be an act of fraud on western farmers. I say that for these reasons. In 1974 the government was supposed to be putting forward a subsidy for farmers producing wheat for human consumption in Canada. This has turned out to be a subsidy for consumers and a large proportion of it was paid for by producers. The second point was that, in effect, it was a seven-year price control mechanism which no other sector of the community had to endure. The third point is that this particular bill is retroactive for nearly three years to avoid a $200 million liability.

Therefore I suggest, for those three reasons, that something should be done to this bill; either take it out and bring it in again, or postpone it for a while and change it so that we do not have this continuing act of fraud laid on our shoulders.

The final point is that in the view of western Canadians, due to the acts of this Parliament, we have had to suffer a series of hammer blows over the last 35 years: the British wheat agreement of 1946-50; the dropping of the international wheat agreement in 1968; the price cutting periods we have experienced in the last 15 years; the LIFT program which deliberately took farmers out of production of a product desperately needed by the world's hungry. More recently we have had the Russion embargo fiasco, the messed up fodder program, the messed up herd maintenance program, and over the last 15 years we have had the railways and grain companies deliberately trying to get out of the grain business. More recently again we have had this renewed fight over the Crowsnest Pass rates, the fight over the last year on energy pricing and the Constitution. These are all part of what western Canadians feel is a direct attack on them as westerners. Unfortunately, if you look at the figures, this is not for the good of Canada.

So I would like to suggest that the House recommend to the government that it drop this bill, draft a new one which proposes a genuine two-price system for farmers so that Canadian farmers, whether they be in the east or the west, who produce wheat for human consumption in Canada can get the same protection for their product as other sectors of the economy.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, Bill S-6 is an attempt to legalize what the government has been doing for some time. The fact that what it has been doing has been

going on since 1978 is a pretty fair indication of the commitment and interest the government has shown in agriculture over those years. It is also a pretty fair indication of the kind of speedy action we are going to get on agricultural problems from this government. If it has taken them three years to repeal a portion of an act, we will wait a long time for more substantial legislation. Why is it that the government always requires farmers to pay for what happens? We must take a look at this particular bill and at the whole range of agricultural legislation.

• (1510)

During the war Canada did its patriotic duty by selling wheat to the allies, particularly to Great Britain, at several dollars under the world price. The compensation to farmers was never paid. Farmers received several hundreds of millions of dollars less for their wheat during that period of time than they would have if it was sold on the world market. This was probably a valuable and necessary contribution to the war effort, but it was not spread over the entire nation. It fell to farmers to contribute to the war effort.

After the war an agreement was made between the Canadian government and the British government to supply wheat to Britain at fixed prices. At that time it seemed to be a fairly likely and acceptable agreement. However, because of the fluctuation in prices neither Canada nor Britain honoured the agreement. But this agreement spawned the Two-Price Wheat Act we are discussing today.

It takes so long between the time an idea comes to the government and an act is passed that things change greatly. The agreement was supposed to guarantee farmers the cost of production of grain on the export market as well as on the domestic market, but it did neither of those things. The Two-Price Wheat Act only guaranteed a floor price and a ceiling price for wheat sold to the domestic market.

Sometimes floor and ceiling prices work well. They worked well when the price of grain was within those two areas, but when the world price exceeded the ceiling price farmers ended up subsidizing consumers. Until the price levels were changed last year, that subsidy again cost farmers a substantial amount. I noticed that last Friday, as reported in *Hansard,* the hon. member for Vegreville (Mr. Mazankowski) referred to an amount of approximately $1 million per week as the subsidy by farmers to consumers of bread in Canada. Again farmers paid.

Just lately there was an embargo on the sale of grain to Russia. Again farmers had to pay. In the process of paying compensation because of the embargo hopefully we have established one fact for all time, and that is that when a group of people such as farmers do something which is the responsibility of all Canada, they will not have to pay for it themselves as the farmers did during the Second World War. At least we established the fact that when one acts for all Canada one should be compensated in some way. However, the farmers paid again. This time they were paid the meagre compensation the government decided to pay after 17 months of doing nothing or very little. The amount was probably less than half the actual losses of the farmers during that period of time.

The Canadian Wheat Board has a mandate from Parliament to obtain the best possible price for farmers' grain. This is done with farmers' money. No taxpayers' money goes to the Wheat Board to provide this service, either domestically or internationally. The Two-Price Wheat Act does not allow the Wheat Board to fulfil its mandate. Legislation such as this confines its ability to obtain the best possible return for farmers.

At present Canadian farmers are being attacked in many areas. They cannot afford to pay a subsidy for the actions of government, for the benefit of consumers, or for the war effort. They could not afford to pay in the past, they cannot afford to pay now, and the way things are going they will not be able to pay in the future. There is an attack on the basic farming or agricultural industry which is affecting the incomes of farmers.

A great effort is being made on the part of many organizations, some of which are very closely attached to the grain industry, to do something about the Crow rate. Most people feel that the rate should be increased to a compensatory rate, which would again make the farmers pay. The situation is such that the industry is barely making enough profit to survive. This is happening in the grain industry as well as in the pork and beef industries. These factors make a considerable difference in the incomes of farmers and can put them out of business.

Also there was a great attack on the marketing boards which were established in the agricultural industry, many of them by this particular government. This attack suggests that the agricultural industry should return to the free marketing system in all areas. Nowhere else in the country is any industry on a free market basis. The idea of supply and demand went out many years ago. No industry with a union goes out and asks how much one will work for. The unions establish the amount paid for a particular job through negotiation. No manufacturer of automobiles would establish its price by producing a million automobiles, putting them on the market and asking buyers: "How much will you pay for this automobile?", regardless of how much it cost the manufacturer.

• (1520)

If we eliminate marketing boards, what we are asking the farmer to do is to produce his grain, produce his meat or whatever product he has, put it on the market and say, "Regardless of what it costs, give me what you think you can afford, or what you want to afford." We have had a very broad attack on marketing boards. We have also had an attack on farmers' income in the form of closing down of rail lines across the west. Many farmers could expect to deliver their grain to a centre which was only six or eight miles from their farms. By the process of closing down the rail lines, a process which is sanctioned by this government, farmers must now haul that grain 25 or 30 miles with increased fuel and mechanical costs.

Therefore, in all of these areas, the farmer, the grain producer, is in a situation which is increasing his costs of production, with no guarantee that he will be paid for those increases. Then we ask him to subsidize the consumer as well. I have nothing against subsidizing the consumer, particularly the person at the lower end of the income bracket who is unable to buy bread at a high cost. However, we should not ask the farmer to do this as part of his contribution to Canada. He must at least expect to recover the cost of production.

Hence, although I recognize that this bill, which should have been brought forward and passed three years ago, is probably a necessity, it should only be dealt with in the light of the real problems in grain production across the nation; not only the problems in the west for farmers operating under the Canadian Wheat Board, but also the problems of farmers who are producing grain all across the country.

Mr. Gordon Taylor (Bow River): Mr. Speaker, when I read Bill S-6, by which the government wants to repeal the 1974 act, a saying which was quite common in the west a few years ago and is still common came to mind. There were four professional people, a minister, a lawyer, a doctor and a farmer, who were making brief statements as to what they did for the people. The lawyer said in his brief statement, "I plead for all"; and the crowd clapped. The doctor said, "I prescribe for all"; and the crowd clapped. The minister said, "I pray for all"; and the crowd clapped a little more enthusiastically. Then the farmer's turn came, and his simple statement was, "I pay for all". There was not any clapping.

This bill illustrates, in a very definite way, how the farmer is always at—excuse the expression—the dirty end of the stick. The farmer is the backbone of this country. Without the farmer we would have no food. Yet, as has been pointed out by a number of hon. members, including my colleague who just sat down, there is no other industry which pays full price for everything it buys but which has no say in regard to the price of the produce that it sells.

It is really amazing why agriculture has continued to grow. It is not surprising that many smaller farmers, particularly those starting operation, are going into bankruptcy because of this very tight squeeze. This bill is another example of a western resource being sold at less than world price. At no time has the farmer in western Canada paid less than full price for his combines, for his tractors, for his trucks or for his cars. At no time has the farmer in western Canada paid less than full price for fish or manufactured goods from the east. As a matter of fact, he paid more than his full price on many occasions because of subsidization and tariffs which make it necessary for the western farmer to pay far more for his shoes and clothes than he would normally have to, were there no high tariffs protecting the clothing and the shoe industry.

But the farmer never seems to have any protection. When we are working out tariffs in Geneva, what do we give? We invariably give something which is of value to the farmer to get something else which is of value to all the people. During the hard times in Britain at the beginning of the Second World War, the Canadian government had the brilliant idea of sending the people of Britain a million bushels of wheat, I believe. The people of Canada were excited about the imaginative project of sending this food to people in Britain, who were almost singlehandedly at that time fighting against totalitarianism, communism and fascism and having a very tough time. But to make a long story short, that food was not a gift from Canada; it was a gift from the wheat farmers of Canada. They were never reimbursed for that wheat. The people of Britain thanked Canada, but they should have thanked the farmers of Canada because it was the farmers who gave that gift to those people.

Never have the farmers paid less for freight. As a matter of fact, we pay more than our fair share. At one time the price of freight was so ridiculous that we would ship things from Toronto to Vancouver and back to Calgary because we could do it cheaper than shipping it straight from Toronto to Calgary. If anyone from grade one up can see any logic in that, I would like to see him stand up in shame. However, that is what happened. Gradually we got to the point where that situation was eliminated. However, the farmer still pays full price to send his wool to the east and full price to buy the garments back afterwards on the freight. The farmer is not a cry baby; but these matters are lurking at the very heart of our agricultural industry. We are always waiting for solutions, but the solution never seems to come.

This bill was passed in the Senate on June 3, 1980. It has taken an awfully long time to get into the House of Commons. I wonder if that is—

Mr. Pepin: It has been here three times already.

Mr. Taylor: Is that because of a priority of the government?

Mr. Pepin: It has been here three times. Third time now.

Mr. Taylor: But it has never been passed.

Mr. Pepin: Well, because you are speaking.

Mr. Taylor: Well, the government sets out the legislation. If the government would leave it before the House long enough for debate, it could be passed.

An hon. Member: Quit talking and let us go.

Mr. Taylor: Well, yes. That is the whole trouble with hon. members. They do not want anyone to talk. They just want to pass this stuff. They do not want to know what it will do. I am not in favour of the bill passing, frankly. I think it is an insult to the western farmers. The Liberals can holler all they like, but I still have the right to free speech. That is one right we have not yet lost in this country.

• (1530)

Mr. Pepin: It was presented by your own party in 1979.

Mr. Taylor: This bill would repeal the two-price wheat system. Perhaps the reason the Liberals are becoming so excited is that this legislation would eliminate the obligation of

the government to make subsidy payments in accordance with the Two-Price Wheat Act. This was stopped in 1978 yet the bill has still not been passed. We ask our people outside to obey the law. It is almost time for the government to start obeying the law. Until this legislation is passed, the present act is still law. The government knows that.

In 1978 the Canadian Wheat Board regulations established a minimum and a maximum price for wheat for human domestic consumption. The senator in charge of the Wheat Board announced a minimum price of $5 and a maximum price of $7 per bushel of wheat for human consumption. There was no maximum for durum wheat. I would like to know why there is a maximum for any kind of wheat. Why is the government deciding that $7 will be the maximum price for wheat? I do not see any maximum price for electricity which goes from eastern Canada to the United States. I do not see any maximum or minimum payments for coal which we import from the United States while leaving our Canadian mines idle. Why are we setting a maximum and a minimum price for wheat, particularly a maximum price? The previous minimum was $3.25 per bushel, yet the world price during that time went up to $6 or $7, and perhaps even higher. Who took the loss? The western wheat growers took the loss.

The people of Canada are being subsidized by the benevolent government which uses the money which should go into the pockets of the farmers. That is exactly what happened. We are now setting a maximum price at $7 a bushel. Why should there be a maximum price at all? If the world price goes up to $10, why should our farmers not receive that? You do not see anyone outside our country putting down their prices for the commodities we buy. Oil on the world market sells for between $40 and $50 per barrel while the price we pay to western Canada is $18 per barrel. What is fair about that? Now we are trying to do the same thing to our farmers. It does not matter what the wheat price goes to in the world market, our farmers will not receive more than $7 unless they are growing durum wheat. Surely any hon. member would agree that is not fair. If a maximum price is to be established, surely the cost of production plus a reasonable profit should be taken into consideration.

If that were the case then the situation would have to be flexible since costs of production change every year. This year costs are rising. They are rising due to actions of governments, including this one, which placed an excise tax on natural gas and raised the price of fertilizer, which in turn causes the cost of production to rise. Many people pleaded with the government to remove that excise tax because it affected production. The government said that it would stick with it, and stick with it it did.

If there is to be a maximum and minimum price for wheat, then it should not be confined to the farmers of Canada. Why is the government not trying to work out a definite arrangement with the Americans since Canada and the U.S. ship about 65 per cent or 70 per cent of their wheat to the markets of the world? There is no use trying to undercut each other. A few years ago Premier Lougheed made a trip to Russia and found out that we were playing second fiddle to the United States with regard to wheat sales. We only sold wheat when we beat the Americans at the bargaining table and the Premier of Alberta, who represented a number of farmers, did not like that. Later on I went to the Wheat Board and discussed this matter with the people there. They did not like the idea of Premier Lougheed going to Russia and talking about the price of wheat. I told them that I thought they should be happy about that and that every premier in Canada sould take an interest in the price their producers are receiving and try to get them a better one.

If the American and Canadian governments got together and established a price under which we will not sell—

Mr. Pepin: Remember uranium?

Mr. Taylor: We do not want a cartel. We want something which will give the producer his cost of production plus a reasonable profit. That is all we want. The minister's government is prepared to accept oil from a cartel, a real cartel which places no emphasis whatsoever on the costs of production. It does not cost $50 a barrel to produce oil or anything like that. An artificial price is set at what the market will bear. The government is prepared to use that oil instead of our own at 75 per cent of the price. We are not asking for a cartel. We are asking that the price take into consideration the cost of production plus a reasonable profit. I say to the minister that there is no other industry in Canada which would not expect the same thing. But every industry, if it is to stay in business, must obtain its cost of production and a reasonable profit.

Mr. Pepin: You should know that it has been tried for a full decade now.

Mr. Taylor: We are not trying hard enough. The minister may be trying, but is the senator in charge of the Wheat Board trying? He is spending a great deal of time on prosecuting the farmers instead of trying to get something for them, as I will show in a minute. Instead of trying to get something for the farmers he is prosecuting them with their own money.

If we must establish a price, then let us not establish it just for Canadians. Let us establish a price which is reasonable and sensible, one which will be flexible so that the costs of production can be included as they change. I would wager that 90 per cent of the farmers, if not 100 per cent, would jump for joy if the government would do just that. It is amazing that the farmers have been able to stay in business up until now. They only do so because of the family farm. The wife goes out and looks after the hens, the kids gather the eggs and the grandparents go out and pick berries. That is how farmers survive. Do not think that they are rich people. They not only work eight hours a day, but 12 or 14, and sometimes right around the clock during harvest and seeding time. They work hard for what they receive and all they are asking for is a reasonable price—the cost of production plus a reasonable profit.

I believe it was the last member who spoke who said something about the producers providing a subsidy of some $20 million to the consumers since the price was locked in at

$5 per bushel. Many farmers are becoming very disgruntled about this situation. They are tired of waiting. I would say 99 per cent of them want to stay in Canada but they want to receive a fair deal too. But they are becoming frustrated and no one seems to listen. When we talk about a fair price for crops, members on the government benches begin to heckle. I do not know why they should be so against the farmer. A lot of these farmers came from Ontario, Quebec and the maritimes. They worked hard for what they built up. They built a heritage and they want to stay in Canada. I think this country should take definite steps to give them a decent standard of living. They should be paid their cost of production plus a reasonable profit.

• (1540)

Some people may ask what a reasonable profit is. It is said that a reasonable profit for the banks is now 19 per cent or 20 per cent. I would be amazed if the farmers want that much, but why should they not? When the banks get 20 per cent profit on loans of money, why should the farmers not get 20 per cent for producing food for the people of this country and the world? That could be negotiated and the farmers would be prepared to negotiate. The bill is still in the House, Mr. Speaker, and I think some payment should be made to the farmers up until it is repealed. We simply should not say, "We started this in 1978, so we are not going to pay anything after 1978."

I should like to come to another point, Mr. Speaker. I want to emphasize that the cost of production should be flexible. The $5 and the $3.25 prices have been in effect for seven years. During that period other prices have gone up but not the price of wheat. The farmers still cannot get more than $5 per bushel. They are not asking for a rip-off but for a price that will cover the cost of production plus a reasonable profit. They want it to be flexible and they want it to take into account the items that contribute to the cost of production.

According to information which comes from the Canadian Wheat Board, farmers do not know whether to grow wheat or barley or rye or flax because they do not know what the price of these crops will be until well into the crop year. They are not told two months ahead of time so that they can make plans. I can tell hon. members that no one knows better than the farmer what he should grow on his land. There may be brains at the Wheat Board in Winnipeg and in Ottawa, but it is the farmer who knows what his land should produce. If he knew before the beginning of the crop year what the price of the various crops would be, he could make his decision on whether to grow barley or wheat, say.

I want to deal now with something that I consider to be a national disgrace. I believe the Minister of Transport (Mr. Pepin) has left the House and will likely be back shortly. I would urge him to use his influence in connection with the problems with wheat storage. We had bumper crops in 1978 throughout the west, particularly in the Stavely area. As a result, there was a shortage of storage and the farmers would have had to pile their wheat and barley on the ground, which would have resulted in a 10 per cent loss of wheat.

It happened that the Alberta Wheat Pool elevator in Stavely had room for all the quotas and then had room to spare, so the agent took the grain in for storage. He did not have a quota but was simply going to store it so that the farmers would not have to pile it in the fields. He had enough space for all the quotas and made a monthly rental charge for storage in accordance with the rules of the Wheat Board. I think any reasonable man would say that was a sensible thing to do, but the bureaucrats in the Canadian Wheat Board had some regulations to enforce. They considered this to be an illegal act, on the grounds that any grain in an elevator over and above the quota is an average and is illegal, even if storage tickets have been issued and charges levied and paid.

As a result, Mr. Speaker, the Canadian Wheat Board, a farmer-owned organization, charged 53 farmers because they dared arrange for storage in an Alberta Wheat Pool farmer-owned elevator to protect their grain. The Canadian Wheat Board then seized all the permit books and commenced legal proceedings. The local wheat pool supervisor told the agent that he was at liberty to issue cheques for the grain but the people who stored 70,000 bushels of barley were not paid for several months. Each farmer was summoned to appear in court, as was the elevator agent. This was a case where a farmer body, established to aid in the equitable sale of grain, rode roughshod over the producer to whom they were responsible. It did not bother the Canadian Wheat Board that adequate storage was available; it did not bother the Canadian Wheat Board that the elevator was accepting payment or that storage tickets had been issued.

The Acting Speaker (Mr. Ethier): Order, please. Again, the Chair would have to be convinced that the storage facilities to which the hon. member is referring have reference to the bill. I invite the hon. member to indicate to the Chair how that matter can relate to the bill.

Mr. Taylor: Mr. Speaker, I will tie it in with this bill because it involves the price of wheat and the gain or otherwise of producers.

The case was heard by a magistrate who dismissed the charges. The Canadian Wheat Board was still not satisfied, however, and appealed. The appeal court, following the Court of Queen's Bench, found that there should be a new trial—

The Acting Speaker (Mr. Ethier): Order, please. I still invite the hon. member to convince me that what he is referring to now has anything to do with either the first, second or third clause of this bill, which is very short indeed. I invite the hon. member to address his remarks to the bill.

Mr. Taylor: Mr. Speaker, the bill takes away from the farmers a large sum of money to which they are now entitled.

Some hon. Members: No.

Mr. Ouellet: You do not understand.

Mr. Taylor: It does. Certainly it does. It is denying the farmers what the government would otherwise have to pay.

Mr. Ouellet: What a stupidity!

Mr. Taylor: The same thing is going on through the court cases—

Mr. Ouellet: You have been wasting our time for half an hour.

Mr. Taylor: —in which the Wheat Board is using the farmers' money to prosecute the farmers—

Mr. Ouellet: You don't know what you are talking about.

Mr. Taylor: —and forcing the farmers—

An hon. Member: Shame on you!

Mr. Taylor: You can holler all you like. If it was your pocketbook that was affected, it would be a little different.

The Acting Speaker (Mr. Ethier): Order, please. Again, the Chair is waiting for an indication that the hon. member is referring to the bill.

Mr. Ouellet: Talk about the bill.

Mr. Taylor: Mr. Speaker, I am indicating that this is tied just as closely to the bill as a number of other items which have been discussed already. The transportation of grain was discussed in reference to the bill. The construction of hopper cars was discussed in regard to the bill, and this point is just as closely tied to the bill as those items are. They are all connected to the price of wheat. I do not say the other matters should not have been discussed, but if Your Honour is going to allow some he should not disallow others.

The legislation which was enacted by Parliament to establish the Canadian Wheat Board stated that the board was incorporated with the object of marketing in an orderly manner. Mr. Speaker, marketing in an orderly manner is tied in with this bill. When farmers tried to protect their wheat by putting it in an elevator that was partly empty, they were taken to court and the case was lost, and lost again. Now the Wheat Board wants to start proceedings all over again. Is that orderly marketing or is it persecution—not prosecution but persecution—of the farmers?

In my view, the minister should insist that the Wheat Board desist from this type of prosecution. It is not in accordance with the idea of orderly marketing and is not in the interest of the production of food in this country.

• (1550)

Let us look at the matter of wheat transportation for a moment or two. Farmers are expecting improved transportation facilities. Transportation is at the very root of the wheat problem in western Canada. Construction of the elevator at Prince Rupert is of vital importance, as is the provision of additional hopper cars. These things have already been discussed. Surely we are not going to have two rules in this House. Hopper cars and transportation have been discussed every time we debate this bill now before this House. Is the Chair now suddenly going to clamp down and say we cannot discuss these topics any more? If we are going to set rules, let us put them in at the beginning and make them applicable to everyone.

The Acting Speaker (Mr. Ethier): Order, please. I do not think the Chair needs direction as to how to govern this House. We have our rules and procedures. All I do is to invite hon. members to respect their own rules and procedures. That is precisely what I am suggesting to the hon. member for Bow River. Perhaps previously hon. members have not done this. I said it before and I say it again, the Chair has been very lenient. I invite the hon. member once more to address his remarks to this bill.

Mr. Taylor: Mr. Speaker, we will leave the Stavely farmers out. They have been left out so many times now, I guess they will not mind being left out of the debate. But this is just another instance of how the farmers of western Canada are being treated.

This bill is telling farmers that they cannot get the best price in the world today. It is telling them that the government is going to set a maximum price, and that is what the farmers will get.

Mr. Evans: What happens when the price falls?

Mr. Taylor: Hon. members over there are harping again. I wish some of them would visit a few farmers and see what they are going through. You shout enough about your own pay cheques. Give the farmers a chance to get a little of something from what they produce. This bill is not doing that. The maximum price farmers can get is $7, even if the world price rises to $8, $9 or $10. The maximum farmers can get is $7. Do you call that fair?

Mr. Evans: What is the minimum?

Mr. Taylor: I would like to see hon. members in their industries, in their jobs, accept that kind of a situation. Keep mumbling over there; you do not bother me a bit. You just show your ignorance about what is going on.

Farmers are getting fed up with this kind of treatment. Surely a labourer is worthy of his hire. Surely farmers should get a proper price for what they produce. We make sure farmers pay the full price for the cars, the trucks, the combines, the tractors, the plows, the manure spreaders and everything else that goes into making up a farm. They pay full price for lumber. They pay full price for the food they buy. Now this bill is establishing a set price above which farmers cannot go for the produce they sell. This is just a continuation of what farmers have been going through for years. Some day the axe will fall and the farmers will get fed up with this kind of treatment.

Two-Price Wheat Act

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, I was not intending to intervene in the debate, but I am doing so this afternoon in response to the irresponsible remarks which have been made by the hon. member for Bow River (Mr. Taylor). I am absolutely appalled at the conduct and the arguments of the hon. member. He opposes and speaks against this bill and is trying to convince farmers in western Canada that this is a bill against their interests.

I just want to put the record straight. Probably the hon. member does not know, but he should know, that the exact bill, word for word, was tabled in Parliament by his colleague and friend, the hon. member for Vegreville (Mr. Mazankowski) who was then minister of transport in the Clark government.

Mr. Taylor: Tell the whole story.

Mr. Ouellet: That was Bill C-7. It was introduced by the then minister of transport on behalf of the Clark government. That bill is exactly the same as the one we are discussing today.

Mr. Taylor: Tell the whole story.

Mr. Ouellet: I am asking the hon. member, what is the difference between Bill C-7 and today's bill presented by the current Minister of Transport (Mr. Pepin)?

Mr. Taylor: The administration. That is the difference.

Mr. Ouellet: The hon. member for Bow River pretends that his colleague—

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. I contend that the minister is not rising on a point of order, he is rising in debate.

Mr. Ouellet: Mr. Speaker, I am making a speech.

The Acting Speaker (Mr. Ethier): Order, please. I did not recognize the hon. minister on a point of order; I recognized the hon. minister in the debate.

Mr. Ouellet: Mr. Speaker, it is surprising that when the Conservatives get the truth they are all upside down, just like the hon. member.

I am intervening in this debate to clarify the situation and to stop this nonsense put forward by the hon. member for Bow River.

Mr. Taylor: The farmers don't think so.

Mr. Ouellet: It is no wonder that some farmers in western Canada are misinformed when they are represented by the kind of member of Parliament who twists reality and tries to convey to members of Parliament that this legislation is legislation against interests of farmers in western Canada.

Mr. Taylor: It is.

Mr. Ouellet: When the Conservatives were in power some months ago, the then minister of transport presented exactly the same bill, word for word.

Mr. Taylor: Tell them about the administration of it.

An hon. Member: This one is better.

Mr. Ouellet: Surely the hon. member for Bow River is not going to convey to the public that his friend and colleague from Vegreville was acting against the interests of western farmers?

Mr. Taylor: Did you hear the hon. member the other day? You should listen to him.

Mr. Ouellet: I want to say that the type of conduct demonstrated by some members of the opposition who constantly filibuster legislation makes Parliament unworkable. At some point we will have to take our responsibility and find ways to speed up passage of legislation that is wanted and is important for the good conduct of the economy.

Mr. Taylor: Bring in closure. You are used to doing that. If you don't like it, shut them up. Why don't you close off debate? Don't let them say anything; that is freedom of speech! In fact, that is Liberal freedom of speech.

Mr. Ouellet: That is the respect for democracy in action!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. This is becoming a shouting match. I heard the hon. member for Bow River previously. Now it is the turn of the hon. minister. I invite the hon. minister also to address his remarks to the bill.

Mr. Ouellet: Mr. Speaker, I think my point has been made. I want to urge our colleagues on both sides of the House to pass this legislation, which is important, urgent and absolutely essential for good administration of the government. I hope we will have common sense in this place and speeches that are to the point, and that very soon this legislation will be approved.

Some hon. Members: Hear, hear!

Mr. Taylor: Tell us where the bill is going. You have not said one word about this bill.

● (1600)

Mr. Len Gustafson (Assiniboia): Mr. Speaker, in rising to speak on the Two-Price Wheat Act, I can state firsthand that the farmers of western Canada are not happy with pricing and the way the government is handling the two-price wheat system. It is interesting to note that there are a couple of commodities which come under the two-price system, one being wheat, which we are dealing with in Bill S-6, and the other oil. Both of these commodities come from a certain area of the country. At very great expense, both benefit the part of

the country from which the minister who just spoke comes. Therefore, he can well get up in this House and defend his actions with vigour.

However, if he would speak to the farmers in western Canada about the two-price system and the fact that down through the years it has taken millions of dollars out of their pockets while they have had to pay full price for every commodity they bought from industrial Canada, and often at many more times the price, he would find the attitude is quite different from what he perceived it to be today, particularly as it relates to wheat and the cost of production, as related by my colleague from Alberta.

We in western Canada are very serious about this situation. If the federal government is going to put in place a productive system which will bring about increased production of wheat for the benefit of Canadians and others throughout the world, it had better start bringing in positive legislation, not this kind. I see the minister has left the chamber.

It is important that the government know what is happening. Should the western Canadian farmer be called upon to subsidize other consumers in Canada? They are willing to do that to a point, but they believe that all Canadians should accept that responsibility, not only the farmers of western Canada.

The hon. member for Vegreville (Mr. Mazankowski) stated in the debate last Friday that this is costing the farmers in western Canada up to a million dollars a week. This is unacceptable and should be changed. The same is happening with regard to oil. Western Canadians receive $18.75 a barrel with the $1 increase on July 1. However, there are some good terms. There is the "blended price", the "compensation price", and the $43 a barrel price that is paid to Mexico and to OPEC. There is a two-price system, one for western Canada and one for offshore oil coming into this country.

The same is happening in the wheat industry. It is very relevant how western Canadians perceive fairness as a result of the federal government's actions. How long can this go on? Western farmers are productive. At one time the farmers made up 97 per cent of the population of North America. Today they make up less than 5 per cent of the population. They produce enough to feed all of North America and a good part of the rest of the world.

If this government continues to bring in this kind of legislation as it relates to wheat, there will be the same production situation that we now have in the oil industry in western Canada. That is what will happen if the government is not careful. It is time the government did something positive for the grain farmers.

What has the cost been to the farmer? We all know the cost of production. I read in the *Toronto Star* today about a farmer who is going broke because the interest payments on his farm are $8,000 more than his gross income. This is a situation that must be looked at very seriously. What is happening when farmers must purchase tractors, machinery, equipment and so on? The farmer must pay full price and often a protected price for the commodity. He could bring in a small John Deere tractor from West Germany at quite a saving. This is because the government protects the industrial area of Canada.

When it comes to selling wheat, who does the government protect? It protects the same people at the expense of the farmer. The farmer must pay when he buys and pay again when he sells. Are the farmers satisfied with this situation? No.

I should not be political about this, but there was a good example on the weekend. The NDP had a little meeting in Vancouver. It came through loud and clear that a segment of the NDP are not satisfied with what is going on in this House and with the centralist control which dominates oil, wheat and the lives of Canadians. The convention in Vancouver should give the message to those in government that there are some pretty clear thinking people in western Canada. They have very strong views on such issues as the Canada Wheat Act and the amendments with regard to the two-price system.

The western farmer is asking how long can this go on? How long can he continue to pay the high prices plus a subsidy to industry on everything he buys? When he sells, it is at a low price. How can he pay his bills and stay in business? Bankruptcies are up. I mentioned earlier the high interest rates. This is related to the cost of production for the farmer. Pressures on the farmer have never been greater. They are closing in. Bankruptcies are higher than ever before.

If this situation continues, by next spring many more young farmers will be faced with bankruptcies. They will not be able to maintain a fluid financial position. I ask the government to take a good look at this situation. The laxity in bringing forward this bill is a good indication of the type of direction the government has taken in relation to important agricultural issues.

● (1610)

How important is agriculture to Canada and the world? It is interesting to note that for one hundred years or better the economic power structure of the world has been controlled by the manufacturing sector which operates in Toronto, Montreal, eastern Canada and also places like London, England, Paris, Tokyo and so forth. This sector has controlled the economy of the world. Along came OPEC. I see someone frowning and wondering how relevant this is. It is very relevant because it affects the existence of the farmer. What happened? Along came OPEC, and the economic control of the world switched to the production of energy in certain parts of the world. In Canada that part happens to be western Canada, and central Canada does not like that at all.

The next thing which will happen in the world is that there will be some emphasis put on the production of food—wheat—which is what we are talking about here. If we in this House or the government take the attitude toward the production of wheat that has been taken in this House in the past year—in the short time I have been in the House—and toward agriculture and farmers generally, it will be a sorry day for Canada and a sorry day for the world.

We must allow the farmer in western Canada to make his contribution to this great country. This is a great country. We have many things. We have energy. We have manufacturing here in eastern Canada. We in the west need eastern cars, steel and rubber, and we can work together. We in western Canada are good Canadians. All we are asking is that we be given a fair chance. We are not asking for two oil prices, one domestic and one for the international marketplace. We do not want a domestic price for wheat and another price for the export market which is $2 or $3 higher. We want a fair price. Let us not put a limit of $7 on wheat when the price could go to $10. Let us be fair. The western farmer will produce wheat and the industrial area of Canada will produce cars and steel. The energy sector of Canada will start producing oil again, as it has not been doing for a year and a half because of the policies of this government. We can build the strongest country in all the world, and that country is Canada.

Mr. Bockstael: Mr. Speaker, I want to ask the hon. member for Assiniboia (Mr. Gustafson) if he would consider answering a question.

Mr. Gustafson: Yes.

Mr. Bockstael: Is the hon. member for Assiniboia aware that the Two-Price Wheat Act we are addressing in Bill S-6 came to its termination on July 31, 1980? This is a clean-up bill. When the minister of transport in the preceding government, the hon. member for Vegreville (Mr. Mazankowski), introduced Bill C-7, he was doing the same thing we are. We introduced Bill S-6 in the Senate. It was passed. In April, 1980 it was brought to this House and should have been read the third time in June of 1980, but it was not. We are bringing it forward to do away with a bookkeeping requirement.

The Two-Price Wheat Act was instituted in 1973 for seven years, automatically to expire in 1980. Is the hon. member aware of that, and does he concur?

Mr. Gustafson: Mr. Speaker, I think the whole country is aware that the books around here are in some difficulty. We are aghast that this kind of action has not come before the House sooner than it has. The general principle is what I am referring to here, a principle to which I am opposed.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am very pleased to participate in this amendment to the original Two-Price Wheat Act. Last Friday the Minister of Transport (Mr. Pepin) in his opening remarks indicated that this is the fourth time Bill S-6 has come before this House in its present state. He reminded us of that and that the last debate took place almost exactly one year ago. I think it would be a year ago tomorrow. The most obvious and succinct comment which now seems appropriate is that the bill itself is now 15 months out of date since its first reading, which actually took place on April 16, 1980.

At the time of those earlier debates there was general agreement that wheat producers were locked into what has been termed by others a frozen seven-year contract under the original terms of the act and, further, that the two-price wheat system has been a subsidy to consumers at the expense of producers. I think that is now widely accepted by all concerned. That subsidy favours the consumer because of the rapid increase in farm production costs associated with our record rate of inflation and I suggest there has been a disproportionate increase in farm capital and operating costs as compared with other sectors in our society with respect to how inflation affects them.

I do not think there is any doubt that farmers are taking the brunt of inflation more so than other sectors, although the whole economy is certainly involved. This situation has increased the imbalance of this subsidy in favour of consumers at the expense of the wheat producers.

Here are just a few examples of how this is reacting today. Fuel costs at the farm level have now more than doubled. Commercial fertilizer costs have increased in direct ratio to those for the oil and natural gas which are used to produce most commercial fertilizers. In some instances insufficient amounts of fertilizer were used this spring simply because of the inability of well-established farmers to finance those very high costs for fertilizer. The very high land and machinery costs with 20 per cent and sometimes higher interest rates, with no sign of let-up, are perhaps the most critical and crucial cost factors which are today precipitating bank foreclosures and bankruptcies at alarming rates. Wheat producers must get a more equitable share of this subsidy.

I would like now to make a comment about the general conditions of grain production, crop prospects and, even more than that, general growth, including grass and hay in western Canada, because I think this is very important as we head into the hot weather part of the summer, rapid growth, the heading out of our crops, haying and so on. I am sure hon. members in this House will recall my personal concerns early last spring and again a year ago last spring, in 1980, when I was genuinely concerned about what to me was the potential for very serious drought throughout western Canada, especially on the western prairies. I spoke in this House, in the Standing Committee on Agriculture and in the Standing Committee on Regional Development about the PFRA and about these concerns. They were very real indeed because there was a potential for drought following two successive winter droughts where the whole of the western prairies had a very low snowfall. As a consequence there was a very poor to nil snow run-off. In the spring of 1980 and the spring of 1981, over a vast area, there was no run-off to supply soil moisture not only for growth but also for livestock watering purposes, and hundreds, perhaps thousands, of small flood schemes used to produce feed for livestock.

• (1620)

I would say that today all the earlier concern and pessimism, certainly on my part, is gone thanks to generous rains over the last six weeks in most of the prairie provinces. In just six weeks the situation has corrected itself to where we now have a rather fantastic turnaround in total growth across the prairies

and the possibility of still further growth in production is there.

Last Saturday I drove the 160 miles from where I live at Walsh, on the Saskatchewan border, to west of Warner, which is in southwestern Alberta. In fact, I drove pretty well across the southern part of Alberta, ending up in the vicinity of what is known as the Milk River ridge. This is beautiful country with a high ridge which is noted for the quality and high production of grass and hay. As a result we have the wonderful cattle and horse ranches which have their headquarters there. I would say without hesitation that the present growth of prairie grass over the whole area, indeed over a much wider area, is the best I have seen since 1953. At that time we had a wonderful rain which coincided with the coronation of the present Queen. It lasted for several days and is still known as the coronation rain. Well, the growth conditions we now have equal or exceed those conditions back in 1953.

I would say many varieties of native grasses are two feet tall and already setting seed. They are high enough to completely hide young calves walking through it. Hay supplies, in spite of the lack of spring run-off, will be adequate. Cereal grain production possibilities are equally good with many fields now fully headed out, and that is spring seeding. The potential for cereal grain production as well as the grasses I mentioned is enormous. Naturally, it is a long way from being in the bin but there is a potential for an enormous grain crop throughout the western prairies. There is one area I am told still on the dry side. That is around Lloydminster, along the Saskatchewan-Alberta border. There may also be an area from Moose Jaw south to the Montana border that is equally dry. However, it is my understanding that those areas are now getting rain.

For those of us in Alberta who are becoming accustomed to the change, it is interesting to speculate that the production of barley in Alberta may be at an all time high. That, of course, will lead to the potential for feeding more livestock, notably cattle and hogs, in our various feed lots, and to the export of more barley.

That brings up the whole question of what the initial prices will be when the minister responsible for the Canadian Wheat Board gets together with his advisers and makes the initial announcement. That will have a tremendous amount to do with whether or not barley production in Alberta, combined with a good price, will allow the feed industry to end almost a full year of losses. The supply of barley will be there; it remains to be seen whether the price will be high enough to make it worthwhile for the farmers and the feed industry.

I mention these western grain details to indicate the importance of the initial price, which I think should have been announced long before now. I hope the minister will see fit to bring it forward. Those initial prices for all grains will have to be significantly higher to counter the increased costs I have already commented on.

I want now to come to another aspect, Mr. Speaker. I think all western farmers, no matter what they produce, are concerned that this amendment is simply a device for the government to get out of that $200 million contract, if you like, which was promised in the original seven-year proposal that the former minister, the Hon. Otto Lang, brought in. I think there is a distrust among the prairie farmers as to whether the government will live up to its commitments. We had a good example of that over the winter, in fact early this spring, some of which is still with us, over the manner in which the government administered the drought program. I am thinking particularly about the herd maintenance program. While the concept was noble and most appropriate, the manner in which it was administered left much to be desired.

I want to have on the record what the situation is today. I suggest that the review board, created late in the day, if you like, to try and iron out some of these administrative inequities, is hopefully going to do just that by its decisions. My understanding is that the review board, just before being disbanded as being no longer required by the responsible ministers, had indicated some 3,600 unsatisfied claims for herd maintenance payments which they split into four categories. Categories one and two were the most extreme and covered cattle producers most severely hit. Categories three and four were those with a smaller percentage of cattle in their operations and a larger percentage of grain. It is my understanding there were as many as 3,000 producers in categories one and two.

Now, when the Minister of Agriculture (Mr. Whelan) set up this review board, he gave a commitment on behalf of the government that individuals who felt they were not being fairly dealt with would be able to have their cases brought before the review board. Failing that, the minister would respond personally to them. I suggest that there is at least 2,500 to 3,000 cases where the government has made a commitment to stand behind its promise in the drought program. There is no question that there is a carryover of money available to do this, but no action has yet been taken.

• (1630)

Primarily I want to zero in on a small area on the Alberta side. Generally it is the area on the south side of the Cypress Hills. It is right on the Alberta-Saskatchewan boundary. It is approximately five or six ranges wide and about eight or nine townships running north from the Montana border to almost the top of the Cypress Hills. This area was every bit as seriously hit by the drought last summer and last winter, as well as the previous summer and winter, as any area in the west but it was not recognized under the program.

I must say quite candidly that it now appears the reason the area was not recognized was that perhaps it had the misfortune under the program to be on the Alberta side. It is the only reason I can see that the area was not recognized under the program. It is a tragedy in the way a program can be administered.

The Minister of Agriculture is aware of this. I hope there is still time to do something about it. The people in the area are widely scattered—there are not too many—but they have been required to finance enormous bills in order to purchase feed to get them through the last two winters. Indeed they are worthy

of some consideration, in light of the firm commitment of the Government of Canada to do something about the emergency drought situation.

Before concluding my remarks I want to make one more point. I have enlarged upon the total potential for a great quantity of grain in the west. It will pinpoint more than ever before the need for the federal government and various feed grain and agricultural groups in western Canada to make a genuine effort to get together and try to reach a compromise solution of the Crow freight rate dilemma. There is no doubt that there is widespread support for some changes across the western prairies. There seems to be stronger support in the provinces of Alberta and Manitoba, but even in the province of Saskatchewan—I live very close to that province and I winter a lot of my cattle there, so I keep in touch—there is the beginning of a consensus as to how to resolve who receives the Crow benefit, that is, the difference between the actual amount of the Crow freight rates and the compensatory rates, or the necessary rates for the railways to move the grain and make a reasonable profit. There is widespread agreement that the railways must be much better compensated, but there is no agreement as to what system should be used, how much, or how it is to be paid out.

The western agricultural conference group proposed that the Crow benefit be paid directly to the railways. The commodity coalition group, the users of mostly feed grains in cattle or hog production and the processors of rapeseed, made a proposal that the difference between the two levels of compensation to the railways should be paid directly to farmers or producers on an acreage basis. It would remove the need to identify grain, multiplying it by a per bushel price.

There is evidence that those two groups are getting closer to reaching compromise. The federal government might very well encourage that compromise. They should get together in order to resolve this situation. There will be record grain volumes to move. We think we are making headway with new hopper cars, but they will not begin to move the expected increase in grain production in the prairies. If the commodity groups do not have a sense of satisfaction that their case in the Crow rate issue is understood, we will lose an opportunity all over western Canada to come up with the best market possible for the barley which is being grown out there right now. Of course, the best market is on the farm next door to where it is produced or on the same farm; there is no doubt about that.

Throughout this year barley was fed to hogs and cattle, and cattlemen ended up losing $100 per head for every fat steer. This did not happen throughout the entire year but it did occur. Hog producers are only now beginning to do a little better. If the secondary industry which creates much of the labour in spin-off industries such as the packing plants does not feel it is worth its while, the grain transportation authority will have to move the extra barley, or a substantial part of it, into the export market. If it is looked upon in that light, it is only common sense and good business to come to a compromise on the Crow issue. I am sure a compromise can be reached by those two major western groups.

I know Mr. Speaker may feel that I have wandered slightly from the subject of the Two-Price Wheat Act, but it was appropriate to make comments about the crop prospects in western Canada since they have turned around so dramatically and to relate that to the entire question of the Crow rate dilemma which is of major concern to us all.

While we appear to have resolved the grain car situation through the construction of hopper cars which are paid for either by the grain producers, through the Canadian Wheat Board, or by the taxpayers of Canada, there is a disturbing situation on the railways with respect to special livestock cars which are rapidly becoming obsolete. It seems that both railways have a mathematical formula whereby after so many years stock cars officially become obsolete. They are not being replaced at this time. The railways indicate quite bluntly that it is not worth their while. This is not because of the Crow rate subsidy. The owners of all livestock carried by rail pay the full shot. There is no subsidized freight rate for livestock, but the railways feel it is not worth their while to continue to pay for new cars to replace the obsolete ones. The livestock industry is very concerned about this situation. It is part and parcel of the uneasiness in western Canadian agriculture which some positive action by the federal government could do much to alleviate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Laval (Mr. Roy)—Aviation Industry—Manpower training—Negotiations between governments and industry; the hon. member for Athabasca (Mr. Shields)—Energy—Negotiations to conclude energy agreement with provinces; the hon. member for Hamilton West (Mr. Hudecki)—Hazardous substances—Dangers of use of marijuana.

• (1640)

GOVERNMENT ORDERS

[*English*]

TWO-PRICE WHEAT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Pepin that Bill S-6, to amend the Two-Price Wheat Act, be

read the second time and referred to the Standing Committee on Agriculture.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, one of the things that happens in the House of Commons from time to time is that a person is moved to make an address on the basis of an intervention made by another member. I must say that while I thought of speaking on this particular bill since it is a matter of some considerable interest and importance to the people in my riding, and to people generally, in the designated Wheat Board area in western Canada in particular, I cannot help but start my remarks by making reference to the wholly unexplained and inexplicable intervention of the Postmaster General (Mr. Ouellet). Here is a man who, as far as I know, has never spoken on an agricultural bill before, yet he felt inclined to stand up and make an intervention. I can understand why he would feel this way and the sense of frustration he must feel.

Mr. Knowles: He has nothing else to do.

Mr. Hnatyshyn: That is right, he has nothing else to do. He has been left completely out of the postal strike negotiations and deliberations. He is being shunned by his cabinet colleagues with respect to this very serious problem which faces our country today. The man is frustrated. He had to get up and make an outburst against those of us from western Canada who are attempting to bring to the attention of the House some of the serious concerns that agricultural area has about the lack of policy and direction which this government has unfortunately undertaken with respect to that very important part of our country. I say to you, Mr. Speaker, that if the Postmaster General has frustrations about the fact that he is ineffectual within his own cabinet and with respect to his own responsibilities, then he should not take it out on the western Canadian farmer. Nor should he attempt to criticize anyone who stands up and speaks on behalf of western farmers, which we in this party intend to do without any help from the Postmaster General, thank you very much.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: It is probably appropriate that the minister made the remark which he did. Again, it reminds me of the contents of the Speech from the Throne. Many members will have forgotten that we did have a Speech from the Throne. It has been well over a year, almost a year and a half, I believe, since it was delivered at the beginning of the session.

Mr. Bussières: Deal with the subject matter of the bill.

Mr. Hnatyshyn: The Minister of State for Finance (Mr. Bussières) will understand the clear logic of what I am about to say, if he would listen for just a moment.

Mr. Evans: Nothing you say has any logic.

Mr. Hnatyshyn: The hon. member for Ottawa Centre (Mr. Evans), who is known as a twin for a constituency adjacent to mine, should listen if he wants to do anything for the rest of Canada in his capacity as the twin member for Saskatoon East. Perhaps he can think about people in western Canada and some of their concerns.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, it is hard to speak when members opposite are barracking and shouting and I am trying to make a serious speech on behalf of the people I represent.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, members opposite will not even allow me to refer to that ancient document, the Speech from the Throne, which has been before us for 18 months. What did that Speech from the Throne point out? Among other things, at the very end of it there was a passing reference to some of the problems which face the government with respect to its representation in western Canada. In that document there was a request made to members of the opposition that at every opportunity we should bring to the government's attention the concerns, grievances, hopes and aspirations of the people of western Canada. The bill before us allows us the opportunity to point out in very vivid and specific terms some of the problems which face the western farmer at a time of unprecedented inflation and at a time when interest rates are punishing the western farmer as he has never been punished before.

In effect, we are talking about the western farmer subsidizing the consumers of Canada with respect to the price of wheat which is grown in western Canada, which is where this bill will have its greatest impact. The price of grain is a matter of ongoing concern to western Canadians and to farmers. This bill shows the kind of disinterest which this government has toward western Canada. When that is combined with the lack of action of this government and with other unconscionable delays which have taken place in terms of payments to which western farmers are entitled, there can be no doubt of this government's disinterest. We had to wait until the last few days for a statement from the Minister of Agriculture (Mr. Whelan) with respect to payment of the Soviet grain embargo compensation. By the time the government found it within its priorities to make that announcement, the amount of back payment had been substantially depreciated by the ravages of inflation and the loss of interest to the farmer on this money. Quite frankly, western farmers looked at that payment with the utmost skepticism.

Simply put, this bill is also an indication of the kind of treatment that western farmers receive at the hands of this government. There are a number of opportunities which members from western Canada have to bring to the attention of the government certain improvements which could take place in terms of its legislation. We intend to take advantage of those opportunities and to meet that challenge. The point is, not only do we have that responsibility, which we will carry out, but we have been called upon by the government in its Speech from

the Throne to articulate the points of view of western Canadians.

Hopefully, the government will take some of these suggestions into consideration. There have been a number of agriculture programs introduced by the Liberal government regarding which we have made suggestions. The western grain stabilization program is one, which was brought in by the then minister responsible for the Canadian Wheat Board, Mr. Otto Lang. We suggested a number of ways in which that particular program might be improved so that there would be, in effect, some benefit derived by western farmers. Those suggestions were rejected out of hand by the Liberal government.

The Acting Speaker (Mr. Ethier): Order, please. The Chair regrets to interrupt the hon. member, but I have been listening quite attentively to the hon. member and he referred to an invitation given by the Prime Minister for western representatives to make contributions to certain legislation. The Chair has a responsibility, as do all hon. members, to address their remarks precisely to the bill which is before us, that is, Bill S-6. I would invite the hon. member to do just that and not to address himself to the invitation of the Prime Minister.

Mr. Hnatyshyn: Mr. Speaker, I am glad you have made that point. Your Honour will understand that in terms of this particular legislation the relevancy rule is being followed more strictly here than in most debates we have had. The reason I wish to make this point is that it must be looked at in the context of this government's agricultural policies. We cannot isolate this one bill and say that it has absolutely no relevance to anything else which happens in this House. This bill is part of a parcel, the way in which this government views the problems of western Canada. I want to point out why this bill is unacceptable in its present form.

By way of introduction, I would like to deal with the provisions of the bill and my suggestions to improve its working and operation.

Mr. Bockstael: It is the same bill which was introduced under the Conservative government.

Mr. Hnatyshyn: Mr. Speaker, I find it hard to believe that the Liberal party will not allow a member from western Canada to speak without heckling and barracking him. The Liberal party may not have any interest in western Canadian problems, but I will tell Your Honour one thing. I am not going to be heckled down by that group across the way.

● (1650)

Mr. Munro (Esquimalt-Saanich): Good for you.

Mr. Hnatyshyn: The fact of the matter is that the relevance here is 100 per cent. We made some suggestions about how western grain stabilization could be improved. For example, the hon. member for Swift Current-Maple Creek (Mr. Hamilton) suggested that the payments to the western farmers should be made on an individual basis, that there should be individual plans rather than having it apply to the designated Wheat Board area in western Canada. At the very minimum, we suggested this improvement to the bill. We suggested that we have smaller and more coherent districts so that there would be a triggering of the payments to western farmers; but the government refused to listen. As a result, what happened? Western Canadian farmers have been deprived of any payments under that legislation, because unless there is a complete crop failure across the whole of western Canada, the plan does not go into effect.

This particular legislation is another example of the way in which the western farmer is again asked to reduce his income; because he has been asked, by the provisions of this bill, to subsidize the consumer in Canada with respect to the price of wheat consumed domestically.

My colleague the hon. member for Medicine Hat (Mr. Hargrave) brought forward some of the concerns we had about the herd maintenance program. I will not get into that; Your Honour listened to the hon. member for Medicine Hat make a very excellent presentation indeed about that particular program. However, things are so bad now with the Liberal government respecting this particular program which, as my colleague pointed out, has a minimum of some 3,600 unsatisfied claims before the review board, that now when I write to the Minister of Agriculture, who is holding himself out as some kind of spokesman in the House of Commons for western Canadian farmers, he is now saying that he has nothing further to do with the western herd maintenance program, and would I please send my objections, my concerns, my complaints and my constituents' complaints to the Minister of Regional Economic Expansion (Mr. De Bané). That is what I call backing off from one's responsibilities as a minister of agriculture. That is the attitude the government is taking. It knows that the western farmer is unhappy with the policies of this government.

Now I want to deal with the provisions of the legislation. I want to deal with some specific concerns and complaints that I have about it. Your Honour will remember that the bill which we have before us repeals the Two-Price Wheat Act of 1974. The two-price wheat system has, in fact, established a system intended to run for seven years. At the time the original bill was introduced, our party took a firm stand against the length of that particular provision. I will deal with that particular matter a little later. The parliamentary secretary, who is one of the two western Canadian hon. members, should be interested in finding out how this bill could be improved.

As a matter of fact, at the time, our party moved an amendment to this original legislation to reduce the time and the application of this particular provision from seven years, which is an unconscionably long period of time. At that time it was pointed out that no labour organization or union would agree to commit themselves for a period of seven years. Nowadays the unions will go six months to a year in terms of any contract they may enter into. Yet the western farmer, by virtue of the policy of the Liberal government, is committed to a seven-year term with respect to this whole program.

I should point out that that particular amendment on behalf of our party was brought forward by the Hon. Jack Horner, who is known to the government benchers. The fact is that at that time his thinking in terms of policy was clear, before he moved across the way. I compliment the Hon. Jack Horner for a motion that he made on the amendment to this bill. The only answer that I have seen thus far with respect to trying to deal with western problems and concerns, is apparently the candidacy now announced of Jim Coutts, who, of course, was instrumental in bringing Jack Horner across to the Liberal party. We now have someone in the Liberal party with sex appeal. Jim Coutts is now going to speak on behalf of the western farmer. I am very impressed, and I ask Your Honour whether that is the only answer the government has with respect to this bill.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: However, as hon. members will recall, the act provided a $3.25 per bushel floor price and a $5 per bushel ceiling. I hope I am not offending the sensibilities of the Liberal members now if I deal with these particular figures.

Mr. Evans: You read them before in cabinet when you were a minister.

Mr. Hnatyshyn: There was a $5 per bushel ceiling for red spring wheat. As far as durum was concerned, it was $5.75 a bushel and $7.50 a bushel on the lower and higher ends. Millers and consumers of grain for human and domestic purposes purchased the wheat at the floor price. Of course, the intention of the original legislation was that the government pay to the Wheat Board the difference between the floor and the world price, up to a maximum of $1.75 per bushel. In other words, $3.25 was the minimum price, and adding $1.75 made $5. I mention that only because when the Minister of Justice (Mr. Chrétien) was in Vancouver, he paid a bill for $120, added a $20 tip, and totalled that up to $130. I just want to make sure that the Liberals, who are in charge of our financial affairs, understand simple addition. Apparently this was not the case with former ministers of finance.

In the fall of 1978, the government decided to terminate payments under the act. At the same time, a new scheme—that is, $4 minimum and $5 maximum—was introduced through regulations made under the Canadian Wheat Board.

I am pleased to see that the Minister of Transport (Mr. Pepin) is here because I think it is important for him to participate and be in the House at all times when bills relating to Wheat Board problems and questions are debated on the floor of the House. One of the difficulties we have, of course, as the minister knows, is that the minister responsible for the Canadian Wheat Board is not a member of this chamber. It makes it very difficult when the minister involved is not here to participate in the debate and answer questions and to have input from western Canadian members.

We have an assistant minister who has other responsibilities. I am glad that he is here to participate, and I welcome him to the chamber. I appreciate the fact that he is here, because I am going to make some suggestions to him and make observations with respect to this legislation. I know that he will, in fact, being a reasonable man, listen to and take heed of all of these suggestions.

In any event, the bill in question has the effect of retroactively extinguishing the government's obligations to make payments under the Two-Price Wheat Act after 1978. I know that Your Honour will be glad to hear this as well, because you are following this debate with some attention. However, I want to say at this point in the debate that the history and mechanics of the two-price system have certainly been well canvassed by my colleagues, and I do not suppose there is any purpose in reviewing them again.

Suffice it to say that Bill S-6 would change the termination date of the two-price system, as established by the 1974 act, from July 31, 1980 to December 31, 1978. This bill would have the effect of relieving the government of some $200 million in subsidy payments. It consists of only one page in both official languages. It is certainly a short bill, but it opens the door to some very important and interesting issues.

The first issue I want to raise today is to consider this government's practices in dealing with the two-price system. The government practice has been that followed in the two-price program. The way in which it has approached this program has been the ultimate in arrogance and disdain for Parliament. The statutory terms of the 1974 Two-Price Wheat Act were unilaterally sabotaged by the government in 1978. The government did not come to Parliament but proceeded to act illegally and on its own initiative.

Mr. Pepin: And you introduced the same bill.

Mr. Hnatyshyn: That, alone, is reason enough to oppose the bill. Hon. members keep repeating the fact that we, in government, had to come in and try to remedy the abuse of Parliament on the part of the predecessor government. We tried to do that in a short period of time. I must tell the minister that we were eminently successful in terms of our responsibility to the western farmer, and I am very proud of our record in that regard. It might be evidenced by the fact that we did not do too badly electorally from that part of Canada. There was an appreciation of the fact that we were serious about western Canada. We intend to serve our constituents in that area.

The second point I think should be made with respect to this bill is that there are deficiencies in the two-price system. The key problem with our two-price system is that, in the final analysis, the way it has operated over the course of the last seven years is such that it has become a burden on the producer. Because of its locked-in maximum price, the two-price system has been a *de facto* subsidization of the consumer by the producer. I do not think that even members of the government would deny that. It is one of the great deficiencies in the plan introduced by the Liberal government in 1974.

• (1700)

Mr. Pepin: You have not read what I said.

Mr. Hnatyshyn: That act was introduced over the objections of members of the Progressive Conservative party. One of our fundamental complaints was that it established this regime for seven years. It has been pointed out on a number of occasions that agreements of the length are almost, by definition, unworkable. The minister would understand that. It is a very long time for any agreement, whether it be a labour relations agreement or one respecting western farmers.

Mr. Pepin: It kept changing all through the seven years.

Mr. Hnatyshyn: I want to tell the minister that no labour union would ever accept a seven-year non-adjustable agreement.

Mr. Pepin: It was adjusted four times.

Mr. Hnatyshyn: The minister keeps talking about adjustment. What we are talking about now is legislation that would legalize something that was done illegally in 1978 by the Liberal government. By what kind of logic would the minister suggest that adjustments have been made when the bill provided no opportunity for such adjustments? There was no provision in the legislation for an adjustment over and above the price which was subsequently changed because of enormous pressure put on the Liberal government in 1978 as the result of the world price for grain. The Liberal government acted then without consulting Parliament. It acted illegally and that is the whole thrust of my argument. This is a critical problem in the present environment.

From 1973 to 1979, including the second quarter, the index of crop production expenses rose by 105.5 per cent; the cost of agricultural chemicals increased by 168 per cent; and the cost of fertilizer rose by roughly 120 per cent. You look surprised and horrified at these figures, Mr. Speaker, but this is the case. A system which fails to recognize such changes in production costs is clearly deficient. A lack of responsiveness to changing conditions creates subsidy effects that are unintended and undesirable.

For example, during the first four months of the 1979-80 crop year, the grain price in the international market was above the maximum level provided by the two-price system. The result was that grain growers, in western Canada primarily, provided a subsidy of about $1 million per week. This is unfair and is totally unacceptable. It is a system that would not be tolerated in any other context, but the government does not seem inclined to take it seriously or to remedy it, except through periodic and understandable outbursts from the Postmaster General. For the first time in his career he had spoken on an agricultural bill, even though it was under the guise of a point of order.

Even though the world price has often been as much as $2 per bushel higher than the $5 maximum established in 1973, the government did nothing for years. The record is clear on that. Only recently has it seen fit to announce a modified price range based on a $5 per bushel minimum and a $7 per bushel maximum for spring wheat.

This adjustment does not address the basic problem about which I have been speaking. There must be a provision for regular adjustments in price, otherwise production costs and fluctuating world prices will create, and it is likely to be sooner than later, the same type of distortions and problems that arose under the pricing regime that endured from 1973 until just recently.

Since the beginning of this government's mandate it has sat inert and watched wheat producers lose $50 million. We have talked about compensation for losses sustained by grain farmers, but the compensation announced by the minister in the other place responsible for the Canadian Wheat Board amounted to some $68 million. This is roughly the same amount that farmers lost in subsidies before the government made any move. Are the western farmers now supposed to stand up and cheer because they get this $68 million after a year and a half and after inflation has substantially depreciated the amount? They are not going to cheer, Mr. Speaker; they are going to ask what the government is doing on their behalf.

There is no assurance that this same government complacency will not create similar problems as prices shift in the future. There is absolutely no assurance from the minister responsible for the Canadian Wheat Board that the government has any plan to deal with such price fluctuations in the future. There is every likelihood that producers will continue to subsidize consumers. This very day we are looking at prices which are just a few cents below the new ceiling.

The new pricing regime is interesting because it provides no ceiling price for durum wheat. The rationale for the difference between the price-setting policy for hard wheat and durum escapes me. Why should the sky be the limit for one grain and a $7 ceiling be imposed on the other? The same principle should apply to both. There is much to recommend the system that is in place for durum. The lack of a ceiling means, obviously, that rising world prices will not bump through the ceiling while the government is asleep.

That is something that should be considered because there is no plan now for the government to make further adjustments. The western farmer simply has to wait on the pleasure of the government to increase the maximum price and enhance the subsidy on domestically consumed wheat. On the basis of past experience we have no reason to believe that the government will move quickly. Economic conditions and concern about the government's deficit position do not bring the western farmer much hope of priority treatment with respect to this payment. It will be easy for the government not to make an adjustment until some time in the future.

People in Saskatchewan may say that Senator Argue did this and did that, but they also say, "We did not elect Senator Argue. How can he be the one to represent our political interest in a democratic society?" Senator Argue may do this and may do that, but we want to see some action by elected representatives and not have to refer to someone in the other place who cannot answer in this House, who does not participate in our debates and who has been rejected electorally by

the people of Saskatchewan. Mr. Speaker, they want to hear elected members of cabinet defend their actions and tell them what is happening.

It is difficult to speak over the hubbub on the other side, Mr. Speaker. I have tried to be non-partisan and rational in my presentation.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: This is a very serious problem but members on the other side treat it lightly, and why should they not? It is a problem that affects the hinterlands of western Canada. I suppose at vacation time some may hitch up a trailer and drive as quickly as they can through the wheat growing area of western Canada to the mountains. I hope they will listen and try to gain some understanding of what I hope is a very serious presentation.

I have made the point, Mr. Speaker, that the major subsidies that we have seen going from the producer to the consumer in the last several years would not occur if my suggestion were adopted and there was a uniform application of the rule with respect to all types of wheat. The maximum price should be removed. This, then, becomes a legitimate subsidy to protect the consumer. The situation which has occurred in the past and which is going to occur again in the future as surely as I stand here, where the producer subsidizes the consumer, will be prevented.

We need a viable agricultural industry in our society. That is absolutely essential. Anything that tends to depreciate from that fundamental position I absolutely oppose. I do not believe the two-price system should include a feature that has the effect of forcing producers to subsidize consumers directly. If we as a country decide that grain prices should be subsidized, then the general public should bear the burden of the subsidy. It should not be shouldered only by the producers in one part of the country.

● (1710)

A ceiling price which has no provision for regular adjustment will create such subsidy effects. The government has demonstrated that it cannot react quickly enough to prevent this from happening. Therefore, I submit in all seriousness that there is much to recommend the notion of a no ceiling price. A ceiling price could only be defended if it was linked to a floor price that reflected real costs of production. This is important, and it is one of the reasons the government had to move with respect to a floor price.

Even now, in terms of the costs involved in agricultural production, how can anyone in this House talk about the floor price now in existence as being sufficient to cover the costs of production as far as western farmers are concerned? In that situation I think producers could expect help when prices fell below reasonable levels. And, in return, they would expect to see the top taken off their grain prices in times of high prices. There would be a stabilizing effect whereby both consumers and producers would benefit from time to time.

Under the present system we do not have a floor price that reflects costs of production. Our government had plans to establish a $6 per bushel minimum price.

Mr. Pepin: Why didn't you?

Mr. Hnatyshyn: The Liberal party, of which the minister is a member, in conjunction with the NDP, in their hurry to work in unison, together as a team, as they have, voted us out of office. I cannot help that and I am sorry that it happened. But we had an opportunity and we would have taken advantage of it by implementing a reasonable increase in the floor price. I think it is a reasonable increase relative to production cost changes of 85 per cent over the 1974 price of $3.75 a bushel.

The present low floor price means that the sword only cuts one way. Producers lose as prices break through the ceiling level, but they never win. The wheat farmer never wins because the floor price is simply too low.

I think I have made some sensible suggestions and recommendations with respect to this legislation. I make a non-partisan appeal to the government to become serious with respect to some of the situations facing western Canadians, western farmers in particular and farmers generally.

Mr. Deans: What are you doing?

Mr. Hnatyshyn: I guess I am giving some free advice to the government party about what might be done in terms of increasing support for the government party in areas in which they are not now represented. I think that if we can move the government one inch on the road to being more sensitive to western—

Mr. Deans: Why are you saying that?

Mr. Hnatyshyn: There is a difference. If I were a member of the Liberal caucus, I would speak like you do. But the way it is now, I am in opposition. I am trying to be non-partisan and I am trying to give some advice.

Many suggestions have been made by the New Democratic Party concerning proportional representation, that this is going to be the solution in western Canada, that this somehow will bring a few more Liberal members into the fold, allowing them to articulate western grievances. This was supported by the hon. member for Hamilton Mountain (Mr. Deans), I am sure, but unfortunately it was rejected by the membership of his party. However, his leader is a proponent of proportional representation. This is his solution to regional disparity and regional representation.

All I am saying to the hon. member for Hamilton Mountain and to members of the government party is that they will not be judged by window dressing kinds of proposals, such as proportional representation or any such scheme. The Minister of Transport in his report was very keen on this particular proposal. I respect him, but I take serious issue with him and I have some serious questions about that plan. Every once in a while I think I could quote one of the members of the Liberal

party from western Canada who had some advice for the Prime Minister (Mr. Trudeau) after the last election. That advice applies to this legislation.

The Minister of Employment and Immigration (Mr. Axworthy) took a highly publicized tour of western Canada. He toured all the villages, the burghs, the farms and the cities of western Canada and came back with a kind of manifesto for the Prime Minister on how to win the west. I thought his conclusion was appropriate and correct, that no amount of high-jinks and jiggery-pokery or some kind of window-dressing proposal for proportional representation would work. The way the government could increase its support and representation would be to demonstrate by its policies that it understands western Canadians' concerns—

An hon. Member: It is the same bill.

Mr. Hnatyshyn: Unfortunately, the hon. member, whom I respect, has come in late. He is armed by Liberal research and their one heckling line, that it is the same bill as the bill we brought in. That is the Liberal heckling line. I will repeat my earlier response, which was devastating the last time and it will probably cause this hon. member to leave the chamber in embarrassment and humiliation. My response was that we had to take the step to legalize an illegal act of the previous government. We had to take action to correct something that was done illegally and in contempt of Parliament. We had to take action to bring it before Parliament because we in this party believe in Parliament. We do not believe in doing things by order in council or behind the scenes. We try to be up front with the Canadian people.

As I mentioned in my remarks, we intended bringing in an increase in the floor price. I would like to hear a member of the government party tell us that the government will bring in a $6 minimum payment as a beginning. I would also like to hear the Minister of Transport, the parliamentary secretary or whomever the government cares to designate, stand up and tell us about what the government is going to do with respect to the ceiling price, and whether the government will give consideration to the removal of it.

I have spoken briefly on this bill because I feel very strongly about it. The bill is a matter of some interest in my area. It is also typical of the kind of oversight that has occurred in terms of government reaction to some problems that are considered serious in western Canada.

One of the battle cries in western Canada is dissatisfaction with the place of western Canada in confederation. It seems that everything we sell to the rest of Canada is at a price lower than world price. That policy applies not only to wheat but also to oil, as we all know. However, western Canadians pay world price for everything that comes to western Canada. That is the cry that goes up. The feeling of dissatisfaction is felt quite substantially across the west. I say to the government that it should be careful with this legislation, that it should listen to some of the judgments that have been made here.

I do appreciate the opportunity I have been given to speak on this bill. I wanted to tell the government how strongly I felt about what it is trying to do here.

Mr. Jack Shields (Athabasca): Mr. Speaker, I welcome this opportunity to address a few remarks to Bill S-6. This is the third time this bill has been introduced. It was introduced first by the previous Liberal administration as Bill C-24, secondly by the PC government as Bill C-7, and thirdly now in the form we see today.

It is interesting to note that the combined Liberal-NDP coalition was in a hurry to bring down the PC government, giving absolutely no thought to the Two-Price Wheat Act at that time. I might say they did not give it even passing interest. That was the coalition of the Liberals and the NDP.

Now the Liberals want to bring this act before us for debate and get it through before the recess. Why is this? Is it because of the magnanimous concern of the Liberal government for the prairie wheat farmer? Is it because of concern for the consumers of Canada? Not quite. It is so that the government can save its own skin. The government will be in trouble if this bill is not passed and the act repealed. The Liberal government would have to pay the producers of western Canada $200 million.

● (1720)

When the Hon. Otto Lang introduced the bill in this House in 1974, he proclaimed, and I quote from page 864 of *Hansard* for October 29, 1974:

> This is a bill whose specific purpose is to enshrine for a period of years, in this case for seven years, a procedure whereby the treasury supplements payments made for wheat designed for human consumption in Canada . . . It is in its present form without any doubt and, I should think without any argument, in the nature of a consumer subsidy, an amount paid by the treasury, on behalf of the people of Canada as taxpayers, to lighten the burden on the consumer of the cost of wheat products in Canada.

On the passage of that bill the producers in western Canada were locked into a seven-year contract. It was violently opposed by the then Conservative opposition. On May 6, 1975, at page 5538 of *Hansard* the Hon. Jack Horner said:

> This bill locks the wheat producer into a seven-year agreement. I cannot overemphasize that. Everyone in this House has witnessed several labour negotiations. I can recite the railway negotiations, the longshoremen on the west coast, grain handlers and longshoremen on the St. Lawrence, and so on. None of them relate to a seven year contract . . . What has this parliament got against wheat producers? Why lock them into a fixed price for their commodity?

I do not hear any comments from the little red rump to my left.

Mr. Deans: That's because nobody is listening to you.

Mr. Shields: They should listen. The liberal government did not stick to its commitment of seven years. On November 30, 1978 it decided to terminate the subsidy payment. Instead of the fixed domestic price and subsidy payments, the Canadian Wheat Board regulations were amended to provide that wheat for domestic use would be priced between $4 and $5 a bushel, and durum for domestic use would be priced between $4 and $7.50 a bushel. The bill before us advances the termination

date to November 30, 1978, rather than July 1980, which should be the case. The government is obligated to pay the producers that money. The government says that since December 1, 1978, that money has been received directly from the market place. The government owes the western producers $200 million. If it backdates the legislation, it will get out of that commitment.

What effect has the two-price wheat system had? Let us look for a moment at the transfer of income under the two-price wheat program from 1969 to 1978. There has been a direct transfer from the taxpayers to the consumers of $396 million, from the taxpayer to the producer of $75 million, from the consumer to the producer of $40 million, and from the producer to the consumer of $35 million. In addition, in the first four months of the 1979-80 crop year the producers have subsidized Canadian consumers by an estimated $22 million.

It is the same old story—call on the western producer to subsidize. It has cost the western producer at least $22 million in the 1979-80 crop year. Since the summer of 1979, the producers have subsidized consumers to the extent of $1 million a week. When is this Liberal government attitude of calling on western producers to subsidize going to stop?

When the Two-Price Wheat Act was brought in, the Conservative opposition asked the government to bring in an indexing provision to reflect the cost of production. Otto Lang said at that time that the legislation was adequate. At the time the legislation was brought in a bushel of wheat was in the $6 range. A bushel of No. 1CW red spring, Vancouver, is in the $6 range today. I quote from page 864 of *Hansard* for October 29, 1974:

> —levels which are still to this day pretty well close to a record, we decided that we should look at the proposition that as between the Canadian Wheat Board on the one hand, and other producers of wheat in Canada, and the consumers of Canada as represented by the buyers, millers and other users, we should enter into an arrangement whereby there would be a range of prices for grain, for wheat used for human consumption, a range which reflected more adequately than anything before that the cost of production to producers.

That was said by the then minister, Otto Lang. Let us look for a moment at what the special adviser to the minister of state in charge of the Canadian Wheat Board, Ralph Goodale, said during the debate. At that time he was the member of Parliament for Assiniboia. I quote from page 890 of *Hansard* for October 30, 1974:

> It has been argued that this legislation should reflect specifically costs of production. I think that kind of suggestion is somewhat inappropriate in a discussion on a two-price system for wheat.
>
> I ask hon. members to remember this government's commitment to an over-all western grains income stabilization program.

● (1730)

The Western Grain Stabilization Act was implemented in 1976. The act provided that a review of its impact upon farmers be undertaken after the first three years of the act's coming into effect. There was to be a review undertaken after three years, and it was to be tabled in Parliament so that it could be discussed. No such review has been tabled. The same former member and now special adviser, Mr. Goodale, also said in 1974—and I refer again to *Hansard* for October 30, 1974, at page 890—the following:

> If conditions change drastically, as well they may, between now and 1980, if there is a downturn in the grain market—as grain producers of western Canada realize might happen—the figure provided for in the bill can be changed by this House to keep it in line with real circumstances.

At no time since the Two-Price Wheat Act was passed have members of Parliament been allowed to debate or legislate. Even now there is no consultation. The advisory board to the Canadian Wheat Board was not even consulted.

Again in the 1974 debate the Liberals were warned by the opposition either to include an indexing provision for the cost of production or, as an alternative, to shorten the frozen seven-year period from 1974 to 1977. A friend and colleague of mine and the former minister of transport, the hon. member for Vegreville (Mr. Mazankowski), said in October, 1979, as recorded at page 865 of *Hansard*:

> —this bill lacks an effective measure to take into consideration the increased costs of production. Therefore we would recommend to the minister the implementation of such a provision to reflect the rising costs of production over the seven year period.

I would like to refer hon. members to a situation which seems to be developing. We constantly hear in this House about how people who have made their home and their living in western Canada feel alienated from their federal government. Here we have a situation once again in which the government is putting a limit on the amount paid for the production of red spring wheat. This is exactly the same as what has been done with respect to the production of oil.

What does it do? I suggest that if a farmer wants to plant wheat on his farm, he has to decide whether to plant bread wheat or durum. I suggest he will opt durum because there is no limit on durum in the marketplace. The market determines what he gets for his produce. However, a misguided policy of this government has put a ceiling on what a farmer will get for the production of spring red. Alberta and Saskatchewan have subsidized the price of oil for the rest of Canada somewhere in the neighbourhood of $40 billion to $45 billion since 1973. That is a tremendous subsidy to the consumers of Canada. For the past seven years, western grain producers have subsidized consumers in the rest of Canada by some $350 million to $400 million. That is directly out of producers' pockets.

We were promised a new policy by this government before the Two-price Wheat Act would be passed in the other place. What did we get from the Minister of Transport's assistant in the other place? We received an announcement that the domestic price of No. 1CW red spring for human consumption would increase the minimum to $5, with a ceiling of $7. This is to be implemented during the next crop year. Forget about this year. It is to be implemented next year. Again the farmer has to wait until next year, maybe. For durum used in the marketplace a minimum was placed, but no ceiling on the upper limit. Again it is effective next crop year. What is the matter with this crop year? Why are we always putting it off? Next year prices will be higher. Farm expenses are not waiting until next year. We are not holding farm expenses in place. There will be more expenses next year. They are increasing

this year. All we have to do is to look at the farmer caught in the bind of interest payments and at the cost of fertilizer, which has gone up. The cost of machinery and the cost of labour have gone up. At present the Two-Price Wheat Act does not cover the cost of production.

Let us refer again to what Mr. Goodale, the special adviser to the Minister of Transport, said. What did Mr. Goodale say? He introduced a very wishy-washy amendment which only Otto Lang could accept.

> The minister shall, on an annual basis and in consultation with the producers, review the provisions of this Act and all related regulations enacted by the governor in council with a view of making such recommendations to the governor in council as are appropriate in the light of prevailing costs of production of wheat and returns to producers.

Has there been consultation? Not a bit. The government did not even bother to consult with the members of the advisory committee of the Canadian Wheat Board. There was not one bit of consultation. There is a great worry that western Canadians feel alienated. We must make western Canadians feel that they are in the mainstream. There is an advisory committee to the Canadian Wheat Board, but not one bit of consultation. Instead, ministers traipse through western Canada giving high profile speeches and telling us in western Canada about what a good government they are.

Mr. McDermid: Full of emptiness.

Mr. Shields: Emptiness and promises. In other words, this new policy still does not adequately reflect the reality of the marketplace. The Two-Price Wheat Act, as it stands now and as it did in 1974, does not reflect it and never has. What have been the consequences from 1973 to the second quarter of 1979? The cost of total farm inputs have increased by a whopping 80.6 per cent. And what does he get for his wheat? Exactly the same as in 1974 because of a misguided government policy to place a maximum on what he can receive. It astounds me when this sort of thing comes to light. Do not be surprised if next year and the year after we cannot meet our commitments on foreign sales because the wheat producer has said: No way, I am not going to produce red spring wheat for human consumption, the bread wheat, the Cadillac of the wheats. Do not be surprised if that producer goes into durum wheats. If a man is going to invest his time, labour and money into planting wheat, it is only logical that he is going to plant durum wheat when he sees there is no maximum, no ceiling on his return and the marketplace will dictate the price.

● (1740)

If the government truly wants to help the farmer, then it should get off his back. If the government truly wants to subsidize the consumer, then it should do it, but not on the back of the farmer. One little act by this government which would clearly indicate to the farmers of western Canada that it understands the problem, that it is willing to modify its stand and remove the maximum for bread wheat, one act like that, could do more for Canadian unity than all its fireworks in Yellowknife and the rest of the country. The farmer would truly believe for once that this government, with virtually no representation in the west, is finally listening and understanding what the problems are.

Mr. McDermid: They have no representation.

Mr. Shields: I hear from an hon. friend that they have virtually no representation. That is debatable as they do have two representatives from Manitoba somewhere.

An hon. Member: What about the Conservatives; don't they represent the west?

Mr. Shields: Mr. Speaker, I would like to answer that question. Yes, they do, absolutely. That is what we are here for and that is what we are trying to make this insensitive government understand. It is a very moderate request; instead of putting a limit on red spring, I suggest they take it off. Do not put a maximum there so that the farmer is subsidizing the consumer. In fact, it is only the wheat farmer who is subsidizing the consumer.

An hon. Member: Share the wealth.

Mr. Shields: Mr. Speaker, I heard one of those yahoos across the way yell out "share the wealth". My God, come to my area and look at the farmer, look at how they are out there grubbing the soil. What is the matter with you? You said, "share the wealth"? That is the most idiotic thing I ever heard. That is the kind of asinine stupidity we get from this Liberal government. They do not understand what the prairie producer is facing. I ask them, I plead with them to think about what was said for a minute. Come to my riding and I will take you to areas where there are farmers, young people trying to break out and plant new land for production so they can feed Canada and the world.

As I said, the cost of total farm inputs increased by over 80 per cent, and the price of wheat remains the same because this government has a maximum on it. Let us look at some of the crops. There has been an increase in the index of crop production costs of 105 per cent since 1973, that is seed, fertilizer and pesticide. You do not just throw the wheat on the ground, Mr. Speaker, hope for rain and see it come up. You have to work at it, you have to use pesticides and fertilizers, you have to clean your seed before you sow it. Since 1973, fertilizers are up 115 per cent, and agricultural chemicals are up 168 per cent. This government has put the producer in jeopardy and it shows insensitivity, callousness and disregard for the needs and objectives of western Canadians, who make up a large segment of our population. Fifty per cent of all employment in western Canada is directly or indirectly related to the farming community. It is still a farming sector.

There are some other areas where the government has been clearly insensitive and on which it has flip-flopped. They want to build a grain terminal at Prince Rupert capable of handling more than 150 million bushels of grain a year. It must be built to meet the commitments we are making to other countries in the world. What is the result? There is no final agreement. Site preparation was to begin this summer. What has happened? It is going to start, maybe, in 1982.

An hon. Member: Take your time.

Mr. McDermid: He is just letting it sink in.

Mr. Shields: I am taking my time and hoping it sinks in.

Mr. Ouellet: What a filibuster.

Mr. Shields: No, it is not a filibuster. I am asking hon. members to think for a moment. Let him put himself in the place of the prairie producer. He does not even know what his initial payment is going to be this year. The government has broken with all tradition and not even announced the initial payment, and now we are bringing in a two-price wheat system. Essentially we all agree with it.

Mr. Ouellet: Well, vote on it.

Mr. Shields: However, why put a maximum on it? Yes, it was brought in, in 1973, and all we are trying to do is to save the government from its moral commitment to the producer right now, amounting to a debt of $200 million. That is what this does. Do you backbenchers not even understand what your government is doing? I advise you to read some of the information.

I ask for one thing, Mr. Speaker. I ask the hon. members to consider what I say, and I ask hopefully, the Minister of Transport (Mr. Pepin), or someone in his department, to read my remarks. He is not here to hear them, of course, but I ask that we remove the maximum. Why set a maximum? All the government is doing is to put itself in a straitjacket. It does not reflect the cost of production. Let the marketplace determine what the maximum is. Let them admit that what they want to do is to subsidize the consumer. At least let them bring it in openly and honestly and say: What we are going to do is to subsidize the consumer with the taxpayers' dollars. Fine, but let them not do it on the back of the farmer by putting a maximum on what he will receive for red spring. They are going to force that guy to put in other crops, and that will put pressure on the Canadian dollar because if we cannot get enough here, we will have to import it from somewhere else. The idiocy comes across. It is an artificial way of holding down inflation, but it will blow the lid. I ask the government to bring forward an amendment which will eliminate the maximum on No. 1CW red spring wheat.

● (1750)

I thank hon. members, particularly some of those across the way, for listening to what I had to say. It is a genuine concern. If we addressed it in a logical, moderate manner, as I said before, we would be doing more for Canadian unity than all the television advertisements with flying geese or the fireworks, which God knows cost how much across Canada. It would do more for Canadian unity. It would do more to address the feeling of concern of grain producers about the government.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I will be the last speaker for the Official Opposition with respect to this bill. I want to deal with a number of items rather briefly.

The purpose of the bill is to remove any obligations on the government to make subsidy payments in accordance with the provisions of the Two-Price Wheat Act in light of changes made in the domestic pricing system in December 1978. I would not be surprised at all if this bill were to cause great concern among western farmers because farmers in general are suffering very badly from the costs of inflation. The input costs with respect to agriculture have zoomed dramatically.

I ask hon. members who represent rural ridings, as I do in part, and others who represent urban ridings to consider what has happened to the price of fuel, not only in the last two years but since February 18, 1980 when those farmers were promised that if they voted Liberal, gasoline and fuel prices would stay down. I remind the House and the country that those promises will not be forgotten by those farmers who feel very badly let down. Also they are affected by a government which has decided to use interest rates and to adopt a high interest rate policy. Therefore, the government and its backbenchers ought not to be surprised if hon. members in the House who represent western agricultural interests, given the atmosphere in the country today, speak about something which bears so heavily upon them. As I said at the outset, this is a bill which will ultimately dramatically change the pricing of a very serious part of Canadian agriculture. It is a $200-million obligation which will be picked up by consumers as a result of this matter.

I do not think hon. members should forget that this is a piece of housekeeping legislation which grew out of the marvellous conference in Bonn. A number of things came out of the conference in Bonn in 1978. The hon. member for Ottawa Centre (Mr. Evans) will recall what came out of it, aside from the promises affecting western farmers. The slashing of 5,000 public servants from the public payroll also came out of that conference. On August 1, 1978 in the dead of night, without warning being given to the then President of the Treasury Board about it, an announcement was made that these public servants would be slashed. I get worried about world conferences involving the Prime Minister (Mr. Trudeau) or his colleagues around the world. He should remember that.

The issue with respect to this is quite clear. Hon. members who have spoken have said that the price range with respect to the two-price wheat policy is unsatisfactory, that it is not keeping up with the cost of production and that the ranges are too low. As everyone knows, there is no limit on durum but there is a maximum limit of $7 on Canadian red spring wheat. They are really saying to the House that it is unfair to apply a maximum in 1980 or 1981 which was going out of date in 1976, 1977, 1978 and 1979. This is the position. It is a clear one and it is important.

I hope members are not saying that this is only a western problem. I think Ontario members should remember that there are 18,000 producers in Ontario who market wheat each year. The annual production involves about 700,000 tonnes—that is

the metric system creeping into agriculture—nearly all of which is of the soft white winter wheat variety. When the bill goes to committee, they will not only have to deal with western Canada. They will have to deal with the wheat producers of Ontario who are very much concerned about this system.

Also these producers are very concerned that these changes are taking place at a time when there is no clear grain transportation policy in Canada, despite all the talk of the Minister of Transport (Mr. Pepin). I do not say this in any unkindly way, but there is no clear policy in Canada. The minister knows, every wheat producer, whether he lives in western Canada or in Ontario, knows, every farmer and every manufacturer who ships anything knows, that the rail system is proving itself gradually more inadequate as cars go out of repair. We are losing approximately 1,800 cars per year, and new ones are not being produced that fast. This is why western farmers, Ontario farmers and others are concerned about the system.

The minister must respond at some stage, probably at committee stage, to the railroads' threat of rationing the rail system. Who are the railway companies anyway? Who runs the railroads of Canada? Are they so independent that they can make their own decisions free of government influence? Does the government have something to say about a system which was put in place to tie the country together and to give it some reason for staying together? Those are the things we want to question in this debate.

From the point of view of western or eastern grain producers, the entire system—the operation of the St. Lawrence Seaway, the deepening of ports, and the capacity of elevators—must be part of a clear transportation policy to serve agriculture, manufacturing and so on. Despite the promises of the 1980 election of action and of renewed vigour, the fact of the matter is that wherever we look there is inaction, there is no vigour, there is no imagination. There is stagnation throughout the country. This is why farmers and members of Parliament have railed against the transportation policies, or lack of them, interest rate and inflation policies of the government. Therefore, it is important that this not be seen as solely a western problem. It is a very major western problem, but what we are talking about in the course of this debate affects grain producers in Ontario and agriculturalists in Quebec. It is evidence of an attitude which must change. Whether we are speaking of agriculture or of anything else, the country is in deep trouble.

Therefore, it is important that this bill get to committee where Ontario wheat producers and everyone who is interested can be heard. May I call it six o'clock, or will Your Honour put the question, if you so wish?

● (1800)

Mr. Collenette: I rise on a point of order, Mr. Speaker. I thought that perhaps, due to the graciousness of the hon. member for Nepean-Carleton we could now put the question.

Mr. Baker (Nepean-Carleton): You may put the question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until 8 p.m.

At 6.02 p.m. the House took recess.

AFTER RECESS

The House met at 8 p.m.

ADULT OCCUPATIONAL TRAINING ACT, NO. 2

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-67, an Act to amend the Adult Occupational Training Act (No. 2), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, the presentation of this bill introduces a number of very significant amendments to the Adult Occupational Training Act. But before getting into the actual substance of those proposals, I would like to make one short comment about the present situation we face in relation to training. It has been one of the issues which, over the past year or two, has gradually emerged as one of the important public and private priorities across Canada. Increasingly, members of the business community, trade unions, provincial governments and our own government, have focused on the need to substantially increase the availability of skilled workers in Canada as one of the major solutions we can provide to some of the economic problems that we face in this country. It is for this reason that the amendments being presented tonight, I hope, will commend themselves to hon. members of this House for speedy and quick passage.

These amendments are designed to give us the ability to respond, in a flexible and effective way, to many of the concerns which have been registered by Canadians and to the need to substantially improve and upgrade the availability of highly-skilled workers for our industries across Canada.

It is interesting, if one looks at some of the projections, to note that we are going through some major transformations in the labour markets of Canada. For the last 10, 15 or 20 years, what we have been faced with is an increasing need to respond to an expanding labour force. The large numbers of young people coming into the labour market, as well as the increased participation of women, have given us a very strong and increasingly forceful need to supply any kind of job, almost at any price; but those conditions are now changing. The composition of the labour force is now going through a major change. We must begin to total our resources because we will find that the labour force growth is slowing down while at the same time there are increasing shortages in key sectors of the economy.

While the supply of the labour market is changing, the demand is also changing. While service work—work in the areas of public administration, clerical, management, health services, education and others—was the major stimulus for growth in the last two decades, it will increasingly decline as a supplier of jobs in Canada. We will find the slack taken up in the areas of manufacturing and resource trades, which will necessitate a very different set of requirements for skilled workers. Therefore, the emphasis will be on an area which has really been neglected for a long time. There will have to be improvement in our blue collar trades, our higher-skilled trades and our technology trades. We will have to reallocate our resources, our interest and our attention to supplying those skills. That will mean some major changes in many of the vested interests of our society, many of the educational institutions, our apprenticeship programs and many of our industrial programs. It is for this reason that we have brought in these changes to the Adult Occupational Training Act at this time, so that we are able to get a leg up to take some lead initiating those changes.

[*Translation*]

Mr. Speaker, the federal government must play a major role in helping both workers and employers to adjust to the realities of the present labour market. We must promote the integration of women, native people and disadvantaged workers into a larger field of employment. We must train more workers in skilled trades and occupations. We must help the workers already on the labour market to learn new skills without undue difficulties. I believe that we must now amend the Adult Occupational Training Act and that this will be a first step towards adapting our employment and training policies to the labour market of the 1980s.

• (2010)

[*English*]

Some hon. Members: Hear, hear!

Mr. Axworthy: That is from western Canada, Mr. Speaker!

Of course, we recognize the need to look at the report that will be presented shortly, we hope, by the special parliamentary committee that was established last year to examine employment opportunities in this country. We await with great interest the finding in that report as well as the report which I hope to be able to table in this House within a matter of days. Those will give us the larger picture of the entire labour market situation in Canada for the 1980s.

I hope that the parliamentary committee report and that report from my department will open up a very far-ranging debate and consultation in the entire area of job training, job creation and employment opportunities for this country as we proceed into this new decade.

I do not think that we can wait for the full deliberations or consultations that will be based on those reports, however. Important as they are and critical as they will be to the major transformations in our policies, we must act now. We cannot afford to lose a day or a week or a year which might impede or restrain the development of new approaches to training. Some hon. members have asked me for the assurance that passage of this legislation will not close the door to further changes in training legislation after the studies have been considered. I am pleased to offer those assurances. As far as I am concerned, Mr. Speaker, the amendments introduced in debate on second reading are simply the prelude to a much wider range of changes that must take place.

The changes introduced tonight are necessary in order to respond to the very well defined and articulated need expressed to me by employers, by trade unions and by provincial governments. I feel it is important to have the House adopt these measures before we leave so that we can put some of the more obvious changes and innovations in our training programs in place by next fall. That would mean that we would not lose time. There is a critical time gap that we must overcome if we are to meet the shortage of skilled workers in Canada.

None of the changes proposed in this bill will in any way pre-empt the work of the parliamentary task force or the other proposals that we will be debating and consulting upon over the next several months. They will have the desired flexibility, efficiency and effectiveness that will give us a good start.

The bill we are studying today has three basic goals. The first is to simplify the administration of the Adult Occupational Training Act and to eliminate much of the unnecessary paper work that small businessmen in particular must face in developing industrial training on the shop floor.

Second, we want to make the act more flexible so that it will respond to the variety of needs in the training area.

These two sets of proposals were presented in the previous Parliament. The third set is in addition to those. It is based upon the measures introduced last January as part of the industrial assistance program which was designed to deal with communities facing industrial dislocation. The amendments to this act are an essential ingredient to enable us to fully perform all the services to those designated communities under the industrial assistance program.

As far as the specifics of this bill are concerned, I am sure we would all agree that the critical place where training must occur is in the private arena. We must provide as much encouragement and incentive to the private employer to develop on-the-job training as soon as possible.

It is my intention, through these amendments, to make the program more effective and attractive by reducing the paper work burden on employers. For this reason, one of the amendments provides a flat-rate method of reimbursing training costs. This will free employers from keeping detailed records of training expenses. When the payment for each contract can be based on a composite, single rate, a great deal of time and money will be saved. The small employer will not need a legion of accountants or clerical workers to keep records on each worker in the training program but will be able to apply for a training agreement with the department under a flat rate formula.

The amendment has particular appeal for the small employer, the employer who provides the majority of jobs in this country but until now has not provided a great deal of training. Through this amendment, we hope to provide further incentives to the small businessman and employer in Canada to give on-the-job training.

Employers will also benefit from the change which will allow us to help with the cost of training that is conducted outside Canada. I want to caution hon. members that we would use this particular provision very sparingly. I believe we must develop and enhance our own training facilities, but there are certain skills that can only be acquired abroad. By way of example, Mr. Speaker, just last week I received a letter from the hon. member for Calgary West (Mr. Hawkes) who sits on the opposition benches. He indicated that one of the oil companies in his city wanted to send six trainees to a program in Houston to develop a specialized skill for the oil industry that is only available in that city. As the act now stands, unfortunately I could not provide direct assistance to that employer for the training program. If the House were so kind as to allow quick passage of this bill, then we would be able to respond quickly to the very fervent appeal of the hon. member for Calgary West. Six new trainees would soon arrive in the wonderful city of Houston to be trained in these new skills.

There are skills that cannot be obtained in this country, Mr. Speaker, and so we need to provide the opportunity for workers to go abroad. We think we can provide support to the private small employer by giving some assistance under the training act to enable that to take place.

One of the most important amendments in this bill extends the period in which we will allow support for training beyond the 52 weeks now contained in the act. We have recognized that as we move into a high technology economy, we must develop high-skill trades. In many instances those skills cannot be acquired within the 52-week period allowed in the present act.

Hon. members know that much of our effort in the past has been concentrated on short-term job entry skills. Now, because of changing economic conditions, we must shift to occupations which require a longer training such as tool and die makers, sheet metal workers, industrial mechanics and machinists. All of these require more than 52 weeks of training.

Again I can speak, by way of example, of a representation made to me two or three weeks ago in the province of Saskatchewan. The native organizations in that province had developed programs of training and management skills for native people so that they could go back to band councils and non-profit corporations and develop management aptitudes to make those programs work. At the present time we cannot provide training beyond the 52-week period. This is another very important program that could go ahead if we could allow the additional time that is required for training. We would use this authority with a great deal of care and caution and obviously would consult with the provinces regarding the credentials and standards required. We would be able to provide for the additional training beyond the 52 weeks. This would give an incentive to people to develop high-skill trades in Canada.

Mr. Baker (Nepean-Carleton): Is it open to municipal corporations?

Mr. Axworthy: I will come to that.

Another important and complementary amendment would erase the present requirement that people in need of skill training wait one year after leaving high school before they can be referred to institutional training. The amendment would allow a person to go from a high school program directly into an institutional training program. This would give an opportunity to young people in particular, to move directly into high-skill programs. In this context, I want to mention the representation of the hon. member for York South-Weston (Mrs. Appolloni). The hon. member indicated that perhaps in the next round of amendments we might even consider waiving the rule for those who have not yet reached the high school leaving age but who do want to enter the high school trades. I think it is a useful proposal to consider. I am attracted to it and I would welcome further representation. But again it comes back to the basic point that we are not interested here in paper credentials; we are interested in getting people trained. Therefore, we want to eliminate some of the overregulation and some of the kinds of difficulties and handicaps that have been put in the way of people getting access immediately to training programs.

● (2020)

A further important amendment in this area, and one that I personally believe would make a major improvement in our training capacity in Canada, is that this bill, with these amendments, would provide authority to negotiate industrial training contracts with persons or groups other than employers. This will give us the flexibility to make use of additional training expertise or resources.

Up to this time we have been limited either to institutional training places provided by provincial governments or to individual employers or groups of employers. Under this amendment, again subject to provincial standards or rules to make sure that the quality of training is high, we would be able to negotiate with trade unions to provide a training program for their membership. We could negotiate with agencies, such as the non-profit organizations like an Indian organization or a social agency which had the capacity or competence to provide specialized training in those areas.

Again, one of the areas in which we have been conducting much negotiation over the past several months has been with native groups to develop native-based institutions to supply workers for the big megaprojects in western Canada. Our experience demonstrates that through such institutions as the Blue Quill school in Alberta and the Indian training institute in Saskatchewan, natives can provide first-class training for their own resources. This amendment would give us the ability to provide a much broader range of sources of training for

Canadians. Therefore, it would give us a multiplication of opportunities and a multiplication of resources.

Here we come back to the issue of flexibility to give us a broader range and more effective response in the training area. Bill C-67 is aimed not only at making our training programs more effective and flexible, it is also aimed at increasing the financial flexibility under the program. Employers are now reimbursed for their trainees' wages at a rate which must not exceed the maximum training allowance set for people enrolled in courses at provincial training institutions. In the Northwest Territories and the Yukon, and indeed in other areas of the country such as British Columbia where wages are rapidly increasing, the maximum allowable weekly payment for trainees under the existing act is simply not enough. The bill would give us the ability to increase this payment and aid employers in these high-wages regions who may have to pay more than $500 a week to attract potential trainees.

I have also referred to the changing labour market conditions of the 1980s because it is important to realize the kind of challenges and demands that we will face. One of the most critical challenges to which this government has already devoted a high degree of attention is coping with the impact of sweeping technological change. This will be of particular interest to members from Ontario and Quebec, where major technology adjustments are taking place in some key traditional industries. In line with this thinking, the third goal of the proposed amendments is to enable designated workers and communities to deal more effectively with the consequences of industrial disruption.

We introduced the special industrial adjustment program last January. Within that program are a number of labour adjustment programs: portable wages, assistance for early retirement and employment incentives. The amendments proposed in Bill C-67 will further strengthen our ability to deal with workers in those communities that are affected by industrial change, such as the automobile industry, the textile industry and the shipbuilding industry. They will encourage workers to learn new skills by permitting us to offer training allowances at a period when workers are laid off in these designated industries. One of the unfortunate consequences in an economic downturn is that apprentices and trainees are usually the first fired because of seniority rules and other kinds of regulations which have grown up and evolved over the years. The first people who are the victims of industrial change are those, in many ways, who should be the last victims. I am referring to those who provide the new skills for the future. Under these amendments we will enable the trainee to go to either a new institution to continue his training or to provide for an additional allowance for that company to allow the trainee to stay on the job. Therefore, we will be able to smooth out the up and down cycles of the economic pattern so that it will not drastically affect the training opportunities of many of our workers. That is of critical importance in many of our higher industrialized provinces and regions which, by shifting the burden of the economic downturn on to apprentices or trainees, gives short shrift for the future. People who are being laid off now are the future skilled technicians, technologists and manual workers whom we will need two or three years down the line in order to maintain our economic growth.

In view of that particular serious need, the amendments we propose in this second reading are of great importance. They add to the impetus and necessity for us to put these programs into place as part of our industrial adjustment system so we can provide the incentives and supports, encourage workers to train for those occupations in demand, to leave occupations where work is obsolescent and to move into new occupations where the work is to be found.

The incentive allowance contained within these amendments would give workers up to 70 per cent of their previous earnings, with a weekly ceiling of $220 per week.

Bill C-67 is one, I believe, on which all members of this House can agree. I do not believe that the training of workers in Canada is an issue which lends itself to rigorous partisan division. There can certainly be different points of view as to the kinds of amendments that can be made, improvements, but I repeat, this is just the beginning of a substantially wholesale change in the wide arena of training opportunities which Canadians will have to debate and discuss over the months and the years ahead.

Bill C-67 gives us immediate tools and instruments to apply at a time when we see the gap for workers getting shorter. Unless we start now and begin to overcome that gap, years hence members of this Parliament will be looking back with some degree of regret that this session of Parliament did not act in an expeditious way to pass this bill.

The improvements contained in Bill C-67 should recommend themselves to all members of the House. Because we must act quickly and with dispatch, I trust and hope that it will be possible to secure the consent of members of this House for a speedy passage of this bill so it can become law this summer and we can get on with the new training horizons that we must face by this fall.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise tonight to take part in the debate on Bill C-67, an act to amend the Adult Occupational Training Act, No. 2. This act proposes amendments to an act which, I think we all agree, needs updating badly.

● (2030)

We on this side are concerned that the minister is making changes that do not fit exactly the recommendation of Parliament's select Committee on Employment Opportunities for the '80s. I am a member of that committee. I must say that in the last year I have enjoyed my work immensely. I know that several members of the committee wish to speak on this bill as well as other members of my party.

Something I find rather amusing is that everyone on the other side is in a hurry. We get to July and they want to rush everything through. This minister is no exception. He said we need to rush this through, we need it in a hurry, these programs cannot go on without legislation. I am surprised to

hear that coming from him because not having the legislative authority to do it has never before stopped the government from doing something.

Mr. Cousineau: Name them.

Mr. Baker (Nepean-Carleton): He already did. He said Axworthy.

Mr. McDermid: I do not have time to name them all. The government introduces bills at the last minute and then wants to rush them through the House so that it can get away for the summer. However, this is a very important subject and it must be discussed thoroughly.

In this country we have a very serious problem. We have a shortage of skilled workers and a shortage in certain professions. We have about one million unemployed. According to the latest statistics, the unemployment rate across Canada is 7.1 per cent. The goverment likes to talk about that figure in glowing terms. Even the Governor of the Bank of Canada is now in on the act. His definition of full employment is 7 per cent. I am not an economist, but even I know that is not realistic. I doubt whether there are many people in this House who believe this is a realistic figure.

The government and the minister failed to mention that for young persons under the age of 24, unemployment is in the 12.7 per cent range; well over 13 per cent for men that age and under 12 per cent for women. This group makes up 25 per cent of the age 15 and over population, but accounts for 45 per cent of the unemployed.

In the last 14 years the unemployment rate for young people has dropped in only 5 years, but over that period the rate of unemployment for youth has risen from 5.6 to 12.7 per cent, the present rate. Their share of unemployment has risen from 40 per cent to 47 per cent in that time. Of the close to one half million young people unemployed, 50 per cent have less than a grade 10 education.

The problem is immense, as we have found out over the past year when studying and debating the situation in Canada. Recommendations will be forthcoming from the employment opportunities committee. I urge the minister to pay heed to what the committee recommends. I can assure him and his predecessors that we will not rest until the report is implemented or reasons given which prove conclusively that it would be impossible to implement. I am sure pressure will come from all sides of this House.

There are many shortages in some regions of Canada and a surplus of manpower in others. Bringing the two together is a major problem that must be addressed. Are our young people getting the proper training? Why have we not trained in Canada? Is training going on now?

I think it is fair to say that the training going on in Canada is generally of good quality. There are some areas where the equipment being used with which to teach is outdated and some instructors have not had an opportunity to upgrade themselves in the latest techniques, but generally there is good training.

Most definitely there is not enough training being carried out in Canada. One may wonder why. Traditionally, Canada has imported its skilled labour from many countries of the world. It was easy to find the tool and die makers, the aeronautical technologists, the machine operators, and one could go on and on. However, that supply is fast disappearing for a number of reasons.

First, this government changed its emphasis regarding immigrants from one of importing necessary skills to family reunification. I am all for family reunification. As the minister knows, I am probably knocking on his door as often as any member of this House regarding those people who immigrate to Canada and make a new start here. However, one statistic which concerns me about our immigration policy at present is that only 24 per cent of those immigrating to Canada have the skills that are required. If the trend we have experienced over the last few years since the act was changed and came into effect in April 1978 continues, the number will be down to 12 per cent in two years. That is dangerous.

The second reason, and this may be hard for some Canadians to understand, is that there are not as many skilled people anxious to make a new start in Canada as has been the experience in the past. With Canada's slip from second to seventh place in standard of living, we are not quite as attractive as we might have been in the past.

The third reason, and this is becoming more of a factor every year, is that with major projects around the world, megaprojects or world projects being carried out in many countries, a shortage of skilled labour is being felt everywhere. Other countries are coming to Canada to try to entice our skilled labour to go to their country to work on major projects. Australia is a prime example of that. Of course, the falling birth rate around the world is another factor. Skilled labour is in short supply.

Canada's manufacturing and service industries must train, and must train in a very big way, if we are to remain competitive in the world marketplace. How do we go about it? I do not want to second guess the findings of the committee, but I think I can sum up our recommendations by saying we need co-operation, we need emphasis in certain areas of our country, but we have the capacity in Canada to do the job.

Let me discuss co-operation for just a moment. The Dominion of Canada has two levels of government which share certain responsibilities. Therefore, it is important that there be co-operation between the federal and provincial levels. I am very concerned that the back of the spirit of co-operation may be broken and positive moves will be required to heal that broken back. The controversy over the Constitution and the controversy over energy prices have poisoned the atmoshpere.

I am sad to say that the Minister of Employment and Immigration (Mr. Axworthy) has not seen fit to have a meeting with the provincial ministers responsible for education, manpower and apprenticeship programs and the federal government with regard to its involvement in manpower planning and training. Yes, he made a flying trip across Canada when he was first appointed some 16 or 17 months ago, but

since then he has not had meetings, and the two levels are unmistakably entwined. As recently as June 8, 1981 ministers responsible for manpower in four western provinces and the Yukon and Northwest Territories met and set up advisory teams which will address common labour market issues in western Canada, issues such as manpower training, manpower planning and analysis, including mobility of labour, and the effects of immigration. They stated that they would ask to meet the federal Minister of Employment and Immigration to discuss changes prior to implementation. In their communique the participants stated the following:

● (2040)

We hope this kind of consultation is an example the federal government will follow in future and thereby remove one of the issues—that of federal intrusion, unilaterally and without consultation, into fields of education and training, which are under provincial and territorial government jurisdiction.

That is quite an indictment. The situation must change and, being such an open individual, I am sure the minister will take the advice of that committee and its report in this regard and hopefully will call meetings of manpower ministers from across this fair land, and not just the western ministers.

There must be co-operation between labour and management. As I mentioned before and as the minister mentioned in his remarks, more must be done about job training in order to keep Canada competitive. The fault lies at many levels. No one person is to blame for the lack of manpower training in this country. One of those levels is union and management. Unions naturally want to protect those who are working, the journeymen. That is understandable, but unions must realize that to provide a trained work force a number of apprentices must be assured that they will finish their training from start to finish. This can be negotiated and put into contacts.

I toured Orenda Engines in Mississauga. I wish the minister would take time sometime to go down there are take a look at that company. The average age of its skilled workers frightens me. Its skilled work force is aging rapidly and approaching retirement, and there is not one apprentice in the place. This is in the aeronautics industry, in which we all know Canada has a great future. What will happen to companies like this five to ten years down the road? They will be knocking at the minister's door and saying, "We want a mission to Britain to bring some skilled workers from their aeronautic industry back to Canada to work here." They are not training.

We visited Germany and Britain as part of our study, and one of the things we found was that when an apprentice takes on an apprenticeship, he finishes it. He is assured of finishing it. He is not assured of a job, but he is assured of his training, much like our young people going to university. They are guaranteed to finish their courses and to get their degrees. The same is true in our community colleges. Apprenticeships in Canada are not like that. They are last on, first off, and that has to change to assure apprentices that they will complete their education. In Germany 80 per cent to 90 per cent of the companies train skilled workers. In England, it is between 70 per cent and 75 per cent. In Canada it is 20 per cent. We have a critical shortage, and the minister now sees fit to bring in a piecemeal bill. It will help somewhat—I do not argue about that at all—but in no way does it have the answer to Canada's manpower problems.

One of the other problems is mobility of labour. There tends to be a double standard on the gouvernment side. Case after case has been raised. The Department of Employment and Immigration is not allowing a constituent of mine to apply for a job in the metropolitan area of Toronto because he happens to live 100 yards outside an arbitrary boundary set up by personnel. The only reason it was set up was to weed out applications. It was a method of weeding out applications. To my way of thinking, that is not mobility of labour. The Secretary of State for External Affairs (Mr. MacGuigan) is here tonight. He should be ashamed. Secretaries can apply for work in his department only if they live in Ontario and Quebec. That is some mobility of labour! Pilots for the government must come from one province, or they cannot apply. There is no mobility of labour there. We see this type of thing happening in the government, and we hear great pious remarks from hon. members opposite about how they have to solve the mobility of labour problem, but I suggest they take a look at their own closets before they ask other people to clean up their closets.

We begin to understand why a premier of a province, such as Premier Peckford, says, "Jobs for my people first, and then we will go much wider." Some of my friends opposite from Quebec have discussed the problem with me. Naturally they want jobs created in the province of Quebec for Quebecers first. I understand that, but the double standards which are being preached are very unfair.

Then there are special interest groups of workers with limited access to the labour market. Discrimination is a barrier to access. In the labour market there is a distinction which is made based solely on race, sex, age or physical handicaps. In the case of natives, they suffer general discrimination on the part of employers. This is particularly visible in the service sector where the jobs require contact with the public. In many cases this discrimination takes place during the selection of candidates, while in other cases it takes place during employment. This situation pushes natives to choose social welfare rather than being subjected to such humiliations. Other groups make much less frequent use of the word "discrimination", which leads to the belief that barriers are less insurmountable or the work environment less hostile.

However, women claim to be subject to job discrimination and discrimination in training possibilities. The same happens to physically handicapped persons and to senior workers. Natives face problems which seem deeper than those of other groups. Natives want to have jobs, as do all citizens of Canada. They find the working environment alienating because it is insufficiently flexible to their socio-cultural peculiarities. It is therefore necessary to establish improved dialogue between the world of business and industry on the one hand and natives on the other. I feel that the attitudes of employers must change, and concrete measures should be taken in this regard. Unemployment among natives is alarming. Unemployment rates

reaching up to 90 per cent in some areas are quoted. This problem will only become more pressing as a massive influx of young natives into the labour market is forecast over the next ten years. Given that the current employment possibilities on the reserves are limited, these young people will increase the ranks of the urban unemployed, and they must be trained.

Women also have specific problems to overcome in order to enter the labour market and to keep stable employment. They are often limited to subordinate, low-paying jobs. They have no hope of moving out of them by orienting themselves toward non-traditional types of female employment because of rigid social attitudes which classify them by sexist stereotypes.

Labour market structures are another important barrier, particularly for those women who have family responsibilities. The rigidity of work schedules is a case in point. So is the limited availability of part-time jobs, shared employment and so on. The other main obstacle to the access of women to the labour market is the absence of employment support services. Representatives of women's groups agree that employment prospects will remain limited as long as there are no day care services easily accessible to all. It is also necessary to introduce other improvements such as better professional counselling, which, I might add, is handled very capably in Outreach programs. In summary, if it is desired that the work of women contribute to economic performance, it is necessary to introduce services to facilitate their access to the labour market.

● (2050)

The physically handicapped, Mr. Speaker, even in this year of the handicapped are still perceived as being incapable of making a positive social contribution. If their access to work were facilitated and if changes in the social attitude towards them could be introduced, they could become productive. The current rate of unemployment among young people is high, due no doubt to demographic factors, career choice errors and, at least partly, to the imposition of abusive entry requirements for jobs, as well as demands for previous experience which is often not necessary. The attitudes of unions, for example the closed shop, would also limit their employment opportunities. These are people who really do need help and training in a manpower planning program, and this is not specifically addressed in Bill C-67. As the minister knows full well, the matter must be addressed and quickly.

The matter of financing of professional training is an age old problem. Who should finance the training? How can the present financing system be improved? I personally feel manpower training is as important a part of post-secondary education as is university or community college education. Manpower on the job training, apprenticeship training and skills training in technical fields are a part of our post-secondary education system and should be treated as such. I think the financing system can be grouped under four main themes: Financing problems which enterprises must face; current policy on grants and the means to improve it; use of the fiscal system as a means to subsidize training; the establishment of a grant levy system.

Training involves costs for firms either directly or indirectly by an increase in the cost of production. Although these costs may eventually be recovered in the shape of higher productivity and eventual reduction of bottlenecks if the employee turnover rate is low, there is still an immediate burden the firm must bear. Small and medium-sized businesses are often unable to bear these costs and need some kind of assistance. In this regard, in spite of an often questionable allocation of funds, government assistance for training is very important to those firms. In spite of this assistance, a large share is borne by the firm. In certain sectors the share would be in the order of 75 to 80 per cent, and even more. Under these circumstances it is not surprising to find that the training activity is lower than what the companies themselves would like to maintain. Therefore, they should receive greater government assistance in the form of wage subsidies, capital subsidies for the equipment required for training, and general subsidies for human resources they allocate to training. Otherwise they cannot have a sufficient level of activity in these fields, particularly at a time when profit margins are low, non-existent or negative.

In their judgment, government assistance is further justified because they finance through corporate income taxes an education system which supplies at no cost trained personnel to other sectors, particularly the service sector.

As to the present grant policy, we have heard that the desirability of maintaining this policy is not uniform. One group, mainly business representatives, wish to maintain the principle. As for changes in fund allocation, it would be desirable that government offer financial assistance for training periods of up to four years. In addition, the assistance offered for the training of apprentices should cover a greater share, or even all, of the costs incurred by the firm. There is also a general feeling that training should more closely match the needs of the local community and this should lead to different financing mechanisms. Funds should be redistributed to support initiatives at the local level. This is being done in some areas to a limited degree. Other groups, mainly labour representatives, would like the government to withdraw completely from the financing of training programs, or at least play only a complementary or ancillary role. The reason invoked is that training is usually the responsibility of the firm and it must therefore fully assume it. Many raise the issue, however, from the viewpoint of economic efficiency. Such a system of complete self-financing has the advantage of assuring society that the cost to the firm of trained personnel more closely approaches its real economic cost. Furthermore, the parties directly involved are better equipped to define the over-all needs for financing and to undertake an efficient allocation of resources to training.

Some people suggest the use of the fiscal system to expand training and distribute its benefits and costs in a more equitable way. There are already employment tax credit programs, and it is felt that they have had a positive effect on training. Some people have proposed innovations. For example, grants

could be given to training in the form of corporate tax credits, or tax breaks could be given to those who must train highly qualified manpower, or the training costs should be made tax deductible. Alternatively, a special tax could be imposed on business enterprises which use journeymen, while allowing these firms to deduct the total training expenses from their taxable income. All these ideas have been presented to the Standing Committee on Employment Opportunities for the '80s.

Then, Mr. Speaker, there is the grant levy system. This has been discussed a great deal by the committee. The reactions vary from very supportive to very unfavourable, with a wide range of opinions between the two. I am sure my colleague from the NDP will be touching on this a little later on. The main thrust of the argument of those who support this type of financing is that it distributes training expenses for a sector equitably among the firms, thereby eliminating piracy from one business to another. It would guarantee firms that their training costs will be reimbursed and penalize those which do not train people. It is therefore seen as a way of eliminating the free-riders and increasing the efficiency and volume of training. For those who express opposition, there are different reasons behind the positions they take. The system is inefficient, it would only lead to compounding of the existing problems, or it is inequitable as it does not treat all sectors equally and penalize the goods-producing sector while imposing no additional costs on the service sector.

● (2100)

Positions between the two extremes provide a more qualified argumentation. Witnesses in this group recognize as a whole that at least part of the training costs must be transferred to industry and that industry must make a concerted effort to increase training. Three aspects of the grant-levy system caused some reticence. The need to apply such a system to all industrial sectors has not been demonstrated. Some sectors could establish their own self-financing system for training—and it was indicated that this is now the case in some industries—without being forced to do so and without having to create a new bureaucratic structure. If the government were to establish the system, it was felt that it should be on a very limited basis or through pilot projects.

Before formulating recommendations, the central question to be solved is to know whether or not firms need government assistance for training. The following recommendations are presented in three groups: recommendations which support the position, first, of those who believe that government financial assistance must be increased, second, of those who believe that such assistance must be abolished, and third of those who have mixed positions on the matter. Increased government assistance to firms, particularly those of small and medium size which have difficulty in meeting the high cost of training, must be maintained. Training assistance must be increased. Government should consider expanding this assistance into the area of capital grants for the equipment required for training, as well as to the wages and subsidies for employers who are doing the training. Government should proceed to reallocate funds currently earmarked for training so as to link them to initiatives taken at the local level. In other words, the government should target its expenditures more carefully.

Then there are those who would eliminate government assistance to the firms. The government should recognize that training is the responsibility of the firm and withdraw completely from the field. It should redirect funds currently assigned to training programs toward training fields centred on the third sector of the economy. Other positions somewhere in between suggest that the government should use the taxation system to encourage firms to become involved in training. I see the Parliamentary Secretary to the Minister of Finance (Mr. Evans) sitting over there thinking about that one. To this end the government should provide tax credits for training. Perhaps it should even increase them. The government should make all training costs tax deductible, or it should introduce a special tax for enterprises which use trained labour and combine this measure with the tax deductibility of training costs.

Those are some of the problems and some of the solutions which were presented to the Standing Committee on Employment Opportunities for the '80s. We should think about some of these solutions very carefully before forthcoming recommendations are made. This is why we are somewhat concerned that the minister is presenting the bill before the recommendations from the committee are presented to him.

Bill C-67 provides assistance in much needed areas. I am pleased the government will contract with independent groups at private educational facilities which provide excellent service. This will help us train some of the skilled workers we are missing. As I understand it, it affords the right of unions to sign intertraining contracts and to be given allowances. I am pleased with the lifting of the one-year ceiling and the revocation of the requirement that trainees must be out of school at least one year. There are many other factors in the bill with which we are very pleased. However, although we feel it is premature, we will not prevent its passage.

I should like to sum up what we feel must happen in manpower training and planning in the country. We have not seen too much evidence of it, but we assume that in this decade there will be economic policies to create growth based on the perception of long-term economic strengths which can be exploited. There is a critical skill shortage. We will not be able to achieve our growth potential without a significant investment in training. I hope the government is aware of the crisis situation.

There is a great deal of growth potential in many areas of Canada. In the east there are the energy finds with which we are all so pleased. In the west there are the megaprojects of the not too distant future. Of course there are great opportunities in more sparsely populated parts of the north. But the growth will not be achieved unless there is some significant movement in the labour force. A portion of our population will have to move to where the jobs are. Solutions will be arrived at in direct proportion to the degree to which the federal and provincial governments, as well as industry and labour groups, are willing to work together as partners in solving the prob-

lems. The solutions will have to encompass a strong sense of the uniqueness of particular communities, industries, cultural groups, regions and required skills.

This bill does not make a dint on the problem. The recommendations are fine but they are piecemeal. It really does not take a fresh, imaginative, gutsy approach to the problem. In typical Grit fashion, throw a little money at it; put a band-aid here and a tourniquet there; patch up the holes and make it look good, as if we were doing something—"Public, here we are; we are great and we are helping you out."

Could it be that this stop-gap measure is put in so that the government can wait for the little munchkin from the office of the Prime Minister (Mr. Trudeau), The Alberta boy who cannot win a seat in that province for the Liberals and must be parachuted into Spadina? Is the government awaiting him? I notice one of his priorities is manpower planning. Perhaps that is why the government has not brought in a comprehensive bill and is not looking at the problem in total. Perhaps the government is parachuting this Alberta boy into Spadina because it knows he cannot win out west and that he will take the place of the Minister of Employment and Immigration (Mr. Axworthy) in planning. I would advise the minister to watch himself.

An hon. Member: He has not even been nominated yet.

Mr. McDermid: Listen to them. I must have struck a nerve over there. The curtain bangers in the back row are rattling their sabres. We of the Progressive Conservative party are dedicated to long-term meaningful employment for all residents of Canada. We will work hard toward that end. In the meantime we must put up with this "stick your finger in the dike" approach to solving what is a crisis problem in Canada. I wish the minister would wait for the report of the Standing Committee on Employment Opportunities for the '80s, the Dodge report and the other reports which are reaching fruition at the present time. He should take time to absorb them and then bring in comprehensive, exciting, imaginative, workable solutions to the manpower crisis in Canada.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, for almost a year now a parliamentary committee on employment, representative of the three political parties in Parliament, has been meeting. The committee held hearings from one end of the country to the other. It heard submissions from industry, labour, educators, community groups, outreach organizations, native organizations and handicapped people. All of these groups were extemely critical of government manpower employment training programs until now. They were especially critical of the federal Department of Employment and Immigration. All of them expressed the view that we needed to have a great deal more on the job training than we have had.

• (2110)

When the committee visited a number of countries in Europe, it was able to see how backward Canada was as compared to the western European countries in terms of training people to fill the skilled jobs which every modern industrialized country needs. Virtually all the representations we heard stressed the need to have a great deal more decentralization of the planning and the administration of programs than we have had in the past. All of them believe—and this was particularly true of both employer and employee groups, union groups—that no programs could succeed unless there were the fullest consultation between labour, management, educators and governments at the federal and provincial levels. When it is ready, the committee will be tabling a report which, I suppose, 97 per cent of the members support. I am amazed at how few of the views which the committee heard and the opinions which the committee formed are embodied in the bill before us or in the statement made by the minister tonight, or even on earlier occasions since he became the Minister of Employment and Immigration (Mr. Axworthy).

Before going into some of the difficulties I see in the bill I would like to spend a few minutes making it clear that as far as our party is concerned we believe it is impossible to plan and implement a really successful job creation and training program which will be of any real benefit, unless we are committed to a program of full employment. If we do not have full employment, all we will accomplish will be a better educated and better trained group of unemployed.

Back in 1945 a Liberal government tabled a white paper on employment and income in which a policy of full employment was laid down on behalf of that government. The white paper expressed the belief of the government that a job should be provided for every Canadian who wished to work and the adoption of policies which would achieve that end.

Some hon. Members: Hear, hear!

Mr. Orlikow: Members opposite shout their agreement and I agree with them.

In the first annual review of the Economic Council in 1964, full employment was discussed. The council estimated that full employment in Canada would be reached when we had an unemployment rate of 3 per cent. It is interesting to note that in the periods after these goals were affirmed, they were substantially met. Between 1946 and 1953 the unemployment rate averaged 3 per cent. After the review of the Economic Council in the mid-sixties, to which I have referred, we had three full employment years between 1965 and 1967 when the unemployment rate averaged 3.8 per cent. Since that time, the unemployment rate has moved steadily upward, and by the mid-1970s the average rate had almost doubled. Between 1975 and 1977 it stood at 7.4 per cent. We have now had 60 months—five years—in which the official seasonally adjusted level of unemployment has been in excess of 7 per cent. That is more than twice what the Economic Council projected back in 1963.

I would ask you to keep in mind, Mr. Speaker, that the 7 per cent rate very substantially underestimated the real rate of unemployment, since we have somewhere between 250,000 and 350,000 people who are not calculated into the official

rates by Statistics Canada because they are no longer actively looking for jobs. These people live in areas of high unemployment where there is no use looking for a job because there are no jobs. Also accounted for in these figures are native people living on reserves. It is important to note that youth unemployment is almost twice the official rate of over 7 per cent. It is over 12 per cent. Native unemployment on reserves, for at least part of each year, runs at between 60 per cent and 90 per cent. Mr. Speaker, the government has given up the objective of full employment as enunciated—

The Acting Speaker (Mr. Blaker): Order, please. The hon. member will have noticed that I have been looking at the bill which is now before the House in order to determine whether or not he is addressing himself to it. I understand that a discussion on employment is related to Bill C-67, but I think the hon. member should try to bring his remarks a little closer to the nature of the bill, which is related to adult occupational training. If the hon. member could do that, it would be of some assistance to the Chair.

Mr. Orlikow: Mr. Speaker, I have only spoken for a few minutes. I intend to get to the guts of the bill very shortly.

As I said a moment ago, it seems to us quite fruitless to be discussing occupational training unless we really have a full employment policy. Thus, I would like to conclude this part of my speech by pointing out that over the years the government has moved away from a full employment policy, which meant 3 per cent or 4 per cent unemployment some years ago. The government now seems prepared, as does the Governor of the Bank of Canada, to accept an unemployment rate of over 7 per cent as being full employment. Our party does not accept that. We say that if that is the government's view then, in fact, the whole program of training people will be a failure.

I would now like to deal with some of the clauses of the bill which is before us, a few of which we think move in the right direction and one or two of which we think are fundamentally wrong and which will lead to the failure of the whole program as enunciated by the minister.

Clause 1 of the bill amends the existing act to provide for training courses for periods longer than a year. That is to say, training allowances will be paid to people for more than a year who attend courses which have been approved by the department. This is a very late acceptance of a criticism which has been made in this House and outside it almost since the time the bill was first introduced. It was obvious from the beginning that, particularly for highly-skilled occupations, a one-year training course was not sufficient and, therefore, the government should have arranged for people to receive training allowances for more than a year. Hence, we greet this amendment with approval.

However, we note that this change applies only to full-time training, which we think is a mistake. We think the bill should be much more flexible. We believe that the bill should provide that part-time training courses be made available for more than a year if that is deemed to be useful to the community. This bill has an amendment which removes the former regulation that a person would have to be out of school for a year prior to being committed to take a training course and to have training allowances. That is another provision which we have criticized for a number of years; and to the extent that it changes that and gives the government and the individuals some flexibility, we support it.

● (2120)

I want to spend a little time on the section which I think is extremely important and is extremely bad. The minister will not be surprised if I raise this matter because I have raised it on a number of occasions in the last few months. I refer to the section of the bill which says the following:

> The commission may enter into a contract with
>
> (a) any employer that operates or undertakes to operate an occupational training course . . .
>
> (b) any employer that arranges or undertakes to arrange for the training of adults employed by the employer . . .
>
> (c) any group or association of employers referred to in paragraph (a) or (b).

If there is one message which the Committee on Employment for the '80s got from almost everyone who made representations to the task force, it was that training programs would be a failure unless they were worked out in consultation with employers, with employees and with the educational institutions and the federal-provincial governments concerned. Yet here we have in this bill again the insistence of the minister and the department that the agreements worked out by the department need only be worked out with the employer or groups of employee associations.

In the last year, we have had a number of agreements announced by the minister. We had the industrial labour restructuring program, for which $350 million was provided in the budget by the Minister of Finance (Mr. MacEachen). That program was to be used to help train people in part in areas like Windsor, Sept-Îles, Sydney and several other cities. Then we have had the individual agreements announced almost every week by this minister or other ministers, and I will just name some of the industries they cover: the foundry industry, the aerospace industry, the coal association, the mining association, the shipbuilding industry and the clothing and textile industry.

As I said, if there was one message which was given to the task force, it was that these programs would not succeed unless they were worked out in co-operation with both labour and management.

The committee was not the only group which got that message. I have before me a report by the major projects task force on major capital projects in Canada to the year 1980, a joint industry-labour committee set up through the good offices of the Minister of Industry, Trade and Commerce (Mr. Gray). What does it say about employment and manpower? Let me quote, beginning on page 55 of the report. It reads:

> There should be a shift in emphasis in training programs towards increased on-the-job training.

The minister is moving in that direction, although I think much too slowly, in these agreements, some of which I have listed. Then it goes to say:

> This should involve a reallocation of spending priorities for government training programs such as the Canada Manpower Training Program.
>
> Action will also be required to ensure the expansion of on-the-job training by industry. It is proposed that a levy-grant system be introduced on an experimental and selective, sectoral basis to impose a payroll training tax levy on employers in those industries where training-related shortages are known to exist.

I do not intend to go into detail about the levy-grant system tonight, but it recommends as follows:

> Academic institutions, industry and organized labour must work together more closely to help ensure the relevancy of academic programs.

There is nothing in this bill, and there was nothing in any of the agreements announced by this minister or the Minister of Industry, Trade and Commerce and the Minister of Regional Economic Expansion (Mr. De Bané) in their announcement about the training programs for the textile and clothing industry which would indicate that the government paid any attention to the views of labour at all. I raised this matter on a number of occasions, and each time the minister has brushed off the suggestions which I made. The minister knows that I was not just talking for the sake of talking, because I have here a letter sent to the minister by the national director of the United Steelworkers of America, one of the largest unions in this country. The letter is dated June 1, 1981. He deals very specifically and critically with the minister in respect to the matter which I am raising at the present time. Let me just quote the following sentences from the letter which the national director of the United Steelworkers of America, Gérard Docquier, sent to the minister on June 1, 1981:

> The labour movement has not been consulted in the preparation of these programs.

He is talking about the coal and mining training proposals. Then he goes on to say:

> Only after the fact, that is only after the programs have been announced, has there been any effort by your government to consult with the labour movement.

Then he goes on to say:

> These agreements were signed on April 14 and 15 respectively and we heard about them for the first time when they were publicly announced. We were subsequently notified that officials of your department and of the associations were willing to hold a briefing session with officials of our union. This cannot by any means be described as consultations.

Then he goes on to say, further:

> The union is, for all practical purposes, completely denied any opportunity to contribute to a program that will directly affect its members. In other words, the people who will be touched by the programs have no input into them.

Let me pause for a minute to remind the minister of one of the arguments put forward by the hon. member for Brampton-Georgetown (Mr. McDermid) when he pointed out the difficulties which now exist when there is a slowdown in some plant, and following the usual practice, the last people hired are the first people laid off. Therefore, according to the hon. member for Brampton-Georgetown, many times apprentices who are being trained for the skilled jobs for which there is such a shortage are laid off. Is it any wonder that unions will insist on that kind of procedure? They want to protect their members. If they are not consulted, as this letter indicates they have not been consulted by the minister in these new agreements, is it any wonder that unions will be less than enthusiastic about co-operating with the government and with employers in the programs to try to meet the skilled shortages which we are beginning to see?

Then Mr. Docquier goes on to write about that industrial labour training program, the $350 million program announced last October, and points out that the CLC wanted to be consulted on that program but it was not. Regarding that program and how it was worked out, he said:

> Officials of the CLC were told of the program late on a Friday and it was made public on the following Monday. They were also told then that labour would be involved in the committees at the level of the designated communities for the implementation of the programs.

Then he goes on to say:

> If labour had been consulted on the training agreements or the industrial adjustment program, it would have meant that labour would have had an opportunity to provide some input into the preparation of the programs. This has obviously not taken place and we regret it because better programs might have resulted from consultation with the people affected.

What we have now is a criticism of the programs which the minister has been announcing, as I say, almost every week. This bill enshrines in legislation the same kind of policy that is so harshly criticized by unions and is ignored by the government.

● (2130)

A similar letter went to the Minister of Industry, Trade and Commerce and to the Minister of Regional Economic Expansion in connection with their announcement about the training program for the textile and clothing industry, from the vice-president of the Canadian Textile Workers Union, Mr. Sam Fox. I do not have time to put that letter on the record but I think it is pretty clear that, to say the least, labour is very dissatisfied with the policy the government is following as it is spelled out in detail in this bill.

Let me go to another part of the same clause in the bill. Clause 5 reads in part as follows:

> Where an employer or a group or association of employers is not able to operate an adult occupational course or to arrange for training in an adult occupational course as described in subsection (1), the Commission may enter into contract with any other person who, or any other group—

Why does the department lock itself into that kind of restrictive policy? Why should the department not be able to make an agreement with any group which can train people to fill the skilled positions we need?

The minister mentioned the success of a couple of native groups which are involved in training and we know the committee on employment learned a few things in its two short visits to the United States. In Washington and New York we saw decentralized programs of training. Instead of all the decisions being made in Washington by a department of government, to a very large extent these programs have been decentralized. The department that—

Mr. Axworthy: A point of order, Mr. Speaker. I hesitate to interrupt the hon. member, but I want to point out to him that what he is saying does not correspond with the act. Under Section 6(2) of the act we can sign an agreement with any group or association which wishes to provide training. I recommend that the hon. member read the act that we are dealing with rather than whatever act he is quoting from.

Mr. Orlikow: Mr. Speaker, I will read the section again. It reads as follows:

> Where an employer or a group or association of employers is not able to operate an adult occupational course or to arrange for training in an adult occupational course as described . . .

That indicates to me that the initial action has to be taken by a group of employers. Then, and only then, can other groups come in. Up to now the government has been very slow to do the kind of things that have been done in the United States.

I know the minister will not agree, but he certainly has not convinced any of the Outreach groups about this. He is in the process of bringing to an end virtually all the Outreach programs which have been so successful up until now.

Mr. Axworthy: A point or order, Mr. Speaker. Again I do not want to interrupt the hon. member, but again he is stating something which is not a fact. He neglected to read the full Section 6(2). We have not ended any Outreach program; in fact, we have expanded them. I think it would be useful if the hon. member stuck to facts rather than whatever he has conjured up in his imagination.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I listened to what the hon. gentleman said. The hon. minister's comment is not a point of order, and the minister is in danger of prolonging the debate. Might he not just let the debate roll?

Mr. Orlikow: Mr. Speaker, I do not mind the interjections of the minister. The facts are there; the record is there; the Outreach groups have been very vocal in saying that they are being phased out. They are certainly operating on a month-to-month basis. They certainly do not know how long their projects will continue. The minister has made an announcement that his department is going to expand its special services. It sounds to some members on this side and to Outreach groups that what the minister is proposing is that the department will do the work which the Outreach groups have been doing until now.

In the United States we saw non-governmental, non-profit groups which were doing the things that the Outreach groups are trying to do in this country. They were doing these things much more successfully than the Outreach groups because they were not working on a one month, six months or one year contract. They had reason to believe that they could continue indefinitely. They were finding jobs and training people in areas of the community where there is very high unemployment. They had the finances and manpower to go out, as our Outreach groups do not have, to meet prospective employers and to talk to them about their needs within the next year and to train people for those jobs.

We saw two projects in the black ghettos of New York where there is very high racial unemployment. They had information from 65 banks about the number of tellers needed in the coming year and, they were training people from high unemployment areas to be bank tellers. These people had the assurance that if they succeeded and finished the course, there would be jobs for them. We were told that 75 per cent of those who graduated found jobs, and a year later 50 per cent of them were still working. We saw similar projects where people were being trained to feed information into computers.

We have nothing like that, Mr. Speaker. We have very few projects which train native people. In Winnipeg, Regina, Calgary or Vancouver there are large numbers of unemployed native people. The minister has talked a great deal about helping them find jobs in the private sector, but we have not seen much evidence of success. There has been virtually no success in finding jobs in the public service for the native people who are moving into our cities in increasing numbers. They are not in the police department or the fire department in Winnipeg or in the parks department. They are not in the federal government. There are no native letter carriers or mail sorters in the Post Office. I could list 25 or 30 occupations in Winnipeg in which native people could find employment if they had the training, which they do not have, or if they had the work experience, which they do not have.

We would like to see the kind of programs begun in the United States and which have been so successful there. Non-governmental, non-profit or even private enterprise projects train people who have not been able to find jobs, particularly the women, the handicapped, the native people, to mention just three groups. They are helped to get the training and move into jobs where they are needed. Yet we see very little of that in this bill. While there are some facets of this bill with which we can agree and make improvements over what we have had until now, we see very little if any reason to believe that the government believes enough in full employment to devise policies which will move us toward full employment. Indeed, most of the emphasis which we have seen on the part of the government, as expressed by the Minister of Finance, talked about the need to control inflation as being much more important than the need to cut down on the number of employees. The government talks about the need for restraint rather than the necessity of job creation.

● (2140)

Even without regard for what we believe to be a fundamental flaw in the government's philosophy and policy, we still believe that this bill merely puts another patch on a tattered policy which the government has had for many years now in terms of manpower training.

As I said at the beginning, I wish the minister had waited for this bill until the task force on employment, on which there are a majority of Liberal members, had reported. When that report comes out, the minister will see the unanimous view of

the committee that what is needed is a much more flexible program, a much more decentralized program and a much more open program, one which is worked on not from the top down, as our training and employment programs have been for many years under Liberal governments, but a program that is worked out in consultation with community groups, native groups, labour and management, all designed to meet the needs of the communities in slow growth areas and in areas of this country in which there will be a tremendous increase in the number of skilled workers, who will be needed to fill the jobs opened up as a result of the tremendous expansion we are likely to see in megaprojects over the next ten to 20 years.

While we approve of some of the clauses in this bill, I say to the minister that it is far short of what is needed.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I am pleased to add my comments on Bill C-67, representing as I do a riding that is industrial and highly urban. It is a riding with a large number of people making demands for adult and apprenticeship training programs.

St. Catharines has for some time experienced high unemployment, while local industries, the automotive and the shipbuilding industries, go begging for skilled labour. The solution to date has been one of seeking offshore employment, bypassing the great numbers of people who feel they are qualified and able to fit into those jobs. As we know from the press, from the Special Committee on Employment Opportunities for the '80s and from the Minister of Employment and Immigration (Mr. Axworthy) himself, Canada will not be able to hire enough skilled labour overseas to cope with our present labour demands.

Why should we be surprised at this? How could we truly have expected other nations to go on training people only to have them emigrate to Canada on completion of that training? To stop this drain, foreign industries have improved wages, working conditions and fringe benefits. In the meantime, Canada is not the attractive place that it once used to be.

Figures themselves bear this out. In 1975, over 75,000 immigrants came to Canada with skills appropriate to our needs—

The Acting Speaker (Mr. Blaker): Order, please. I must apologize to hon. members. I do not know whether it is the Chair who is at fault or whether there is a tendency to drift on to other subjects, but I am looking at a bill which has to do with adult occupational training. I have to ask the hon. member for St. Catharines (Mr. Reid) to deal with that bill. It is not an opportunity to go into an entire concept of employment or unemployment practices in Canada. The bill has to do with adult occupational training.

Mr. Knowles: For employment.

The Acting Speaker (Mr. Blaker): With respect to the hon. member, I would ask that he please direct his remarks to that bill.

Mr. Reid (St. Catharines): With respect, Mr. Speaker, I am not challenging the Chair but I was attempting to emphasize that the concern in the community from which I come is for adult training programs and increased apprenticeship training programs. I thought that was the very nature of the bill before the House.

Some hon. Members: Hear, hear!

Mr. Reid (St. Catharines): I want to emphasize that in Ontario, a province which provides half the nation's output in goods, it is expected that in four years there will be a shortage of some 35,000 skilled workers. Ratio figures do, of course, vary but as a minimum this shortage will create other unskilled job losses of 175,000 positions.

In Alberta, the Alberta Oil Sands Technology and Research Authority is predicting severe shortages in a wide range of highly skilled jobs, including a shortfall of some 1,000 scientists a year.

Finally, the Minister of Employment and Immigration said in Halifax on May 27 last that Canadians might have two to three years' grace before the bubble of imbalances in the labour market bursts, causing severe shortages of skilled labour.

The burning question is how did this problem develop. Unfortunately, like most disgraceful and blameworthy situations, the culprits have no end of excuses. Government, industry, unions, secondary and post-secondary institutions, even society in general, can all be said to share the responsibility for the labour shortage problems of today. Our responsibility here is to examine the federal role, of which Bill C-67 is one response and only one, to the impending crisis.

Recently, a publication called *Odyssey* carried a three-part special report on the skilled labour shortage here in Canada. One comment in the third part of that report read:

> Ottawa's approach to training is something of a dog's breakfast.

I considered referring to that article this evening but I ultimately decided not to do so because I find the situation reprehensible. In fact, I despair at the inability of this government and the minister to address this problem seriously.

Over and over again, Canadians and the Progressive Conservative party pounded away at this government on the issue of the Constitution, making the essential criticism that the entire process was arbitrary and authoritarian. Just as the provinces were ignored and snubbed by the government over the Constitution, so now this minister is barging ahead with his bill without a full discussion with provincial authorities or even the labour movement. To add further insult to this, the minister will not shy away from impressing upon everyone else the need for consultation and co-operation with the provinces.

Only a week ago, the minister said in Toronto that what was needed was intelligence work, a co-operative effort and a wide-ranging debate on the issues. Presumably this will take place after the passage of Bill C-67.

Once again, it falls to the Progressive Conservative party to speak out for the provinces. And who should know better than the provinces what the industries of those provinces want and need. Why would the federal government bother with committees on manpower needs if it is going to ignore the provinces on amendments to the Adult Occupational Training Act?

● (2150)

If we are to make any headway on the skilled labour front, and I have to join in the criticism levelled against the federal government, the federal government will have to get off its high horse and work in concert with the provinces. However, I doubt that the provinces could really object to any of the amendments proposed in Bill C-67. The simple fact is that, given the magnitude of the problem, these amendments are woefully inadequate. No one can snub a little help, but you sure can scream for more.

For example, an extra $25 a week over and above regular UIC payments is to be given to laid off workers who enter an apprenticeship training program. What, may I ask, is so magical about $25? How or why was this figure arrived at? On an individual basis, the amount is neither here nor there, yet for the government it represents a significant expenditure. As such, I must conclude that this is neither an incentive nor a necessary expense, and is therefore simply in keeping with the government's long-term policy of simply throwing money at a problem.

Various other amendments denote housekeeping efforts as opposed to improvements as such. The one-year ceiling on government assistance to trainees has been lifted; assistance for short-term training outside Canada is provided for, and various areas and industries are to receive increased assistance for apprenticeships. These measures are of some help but they pale by comparison with the magnitude of the problem.

In that regard, allow me to give the House an example. The General Motors plant in Windsor, Ontario will have 50 apprentice positions opening up this year. GM officials expect some 2,000 applicants. How, I hate to ask again, is Bill C-67 going to be of any help in a mess like that, where there is such a demand?

In a country like Canada which can boast of a highly educated population and a relatively high standard of living, surely we can do better than Bill C-67. We know what the problem is and we know that increased apprenticeship programs are a good part of the solution. Prior to this mail strike, I had been receiving correspondence from constituents who were truly caught in a bind, seeking an apprenticeship training program.

For these people academic upgrading is the solution as it supplies an income coupled with a comfortable atmosphere. Once their academic upgrading has been completed, they are then able to undertake training at community or technical colleges. For reasons not yet clear, Niagara College is cutting back on its very necessary adult training program.

The other avenue is apprenticeship programs, and that is where the respective governments are going to have to work in concert. For its part, the federal government should be doing everything it possibly can to assist and encourage people to enrol in apprenticeship programs. Bill C-67 is not going to do this. As I stated earlier, this minister and this government will have to act quickly on the skilled labour shortage problem or Canadians will be in serious trouble.

I began by saying that my riding of St. Catharines has been experiencing high unemployment for some time and that local industries were going begging for skilled labour. The amendments proposed in Bill C-67 to the Adult Occupational Training Act are not sufficiently meaningful to change that situation, nor do the amendments represent any meaningful consultation with the provincial authorities. It is therefore with regret that I cannot support this bill. It is simply too little, too late.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am pleased to speak on Bill C-67 to amend the Adult Occupational Training Act. I compliment the Minister of Employment and Immigration (Mr. Axworthy) on bringing forward this amendment. It is long overdue. This bill should have been brought in at least two years ago, because under current legislation there is little incentive to have an apprenticeship or training program.

Unemployment insurance payments have risen to such an extent that there is absolutely no incentive. A man or woman is much better off receiving unemployment insurance benefits than undergoing retraining. There should be some incentive.

I question whether the extra $25 a week proposed in the bill is enough. Again there is a ceiling. Next year at this time we may have to deal with another bill because if inflation continues, unemployment insurance benefits will also rise. This is something I caution the minister about and suggest he seriously consider.

I understand the minister would like third reading of this bill before the summer recess. Hopefully this can be accomplished because the bill is long overdue. Those receiving extra benefits will be in the skilled trades—this currently include tool and die makers, welders, boilermakers—as well as in some of the other extensive areas of training.

I have some difficulty with this bill. Applications are made by employers for immigrants in a certain category. This applies to special skilled trades. Consideration should also be given to certain secondary trades. Certain skills in some areas are not addressed in this way. Certain skilled areas may not appear highly sensitive to the economy. I refer to the hotel service industry and the food industry. Skilled labour is required in that industry. It is very difficult to fill these jobs. Canadians do not want them. In addition, it is difficult to hire people from other countries to come here and fill those jobs.

Other areas of industry have been designated by governor in council for increased assistance for individuals entering training. They will be paid up to 70 per cent of their income up to a maximum of $225 a week. I know it is costly, but I believe placing a maximum of $225 a week is a mistake. I seriously suggest that this be left open. A system should be set up in consultation with the provinces so that there are certain high

growth areas. Workers will be attracted to areas paying higher salaries. However, the cost of living in those areas will be higher and therefore this $225 maximum may not meet the requirements. I would like to see it open-ended with either a higher range or no maximum at all. If the requirement is critical in some areas of training, this may need to be increased by 25 per cent or 30 per cent. Right now I understand this $225 a week applies mainly to the auto assembly industry in Windsor, Ontario, primary metal industry in Sudbury and shipbuilding in Sorel and Tracy, Quebec, but I suggest there are other areas, particularly fast-growth areas, where this is happening.

● (2200)

I have only a few more remarks to make, and I would like to continue them when the debate resumes, but at this point may I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. The parliamentary secretary to the government House leader is in his place. Could he confirm that we will be dealing with this bill tomorrow?

[*Translation*]

Mr. Collenette: Yes, Mr. Speaker, we shall consider the same bill tomorrow, namely Bill C-67.

[*English*]

Mr. Knowles: And if we conclude that will we move to Bill C-53?

[*Translation*]

Mr. Collenette: Yes, Mr. Speaker, several bills still to be considered before the adjournment of the House, perhaps next Friday, perhaps next week.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

AVIATION INDUSTRY—MANPOWER TRAINING—NEGOTIATIONS BETWEEN GOVERNMENTS AND INDUSTRY

Mr. Marcel Roy (Laval): Mr. Speaker, I am pleased to take the floor this evening concerning an industry which has created thousands of jobs, and in the light of what I hear about the performance of the Progressive Conservatives, job creation in the aviation industry has been a real disaster if we consider the approach of the Diefenbaker government which cancelled outright the Canada aircraft *Arrow* and the sale of that aircraft because of the price of the metal.

The approach of the Liberal government has indeed been to promote the aviation industry in 1975 through the purchase of Canadair and de Havilland in Toronto. Those two companies today employ over 7,000 workers.

I think that the Liberal government must now take the initiative and create jobs for Canadians in a sector of advanced technology.

On June 15 last, Mr. Speaker, still in connection with job creation in aeronautics, I asked the Minister of Employment and Immigration (Mr. Axworthy) if in that field there was an anticipated labour shortage of more than 13,000 skilled workers for the year 1983. I was trying to make the minister aware of the fact that the province of Quebec accounts for more that 50 per cent of that economic sector, both in terms of the sales which is close to $1 billion and the number of jobs offered by the aviation industry.

I asked the minister whether he had given consideration to the establishment of a manpower training and planning program jointly with that industrial sector and the government of Quebec. I asked that question as a follow up on a press release issued by his department last May 13 where it was stated that, after an agreement with regard to planning in that industry, the chairman of the board of the Canadian aerospace industries and the president of the association, Mr. Desroches, had signed an agreement, a planning program providing manpower training and a large scale expansion of businesses. Thus one of the first results of that agreement was the creation of a training program related to engines in Ontario. I fully agree that we have to start somewhere.

I do not object to the program starting in Ontario but I would have liked it to have some advantages for Quebec. Therefore, I wonder if the minister or his parliamentary secretary could tell us tonight whether the minister intends to sign or has already signed an agreement with the province of Quebec, because both the federal government and Pratt & Whitney are aware of the importance of manpower training. I certainly support the second reading of Bill C-67 to amend the Adult Occupational Training Act in order to promote job creation in areas where there is a demand and a market for it. Could the parliamentary secretary tell us whether an agreement has been signed in the province of Quebec in co-operation with the private sector and the federal department of Employment and Immigration, to help Quebec residents who want to go into the aviation business in order to be in a position to compete for the 13,000 jobs that would be available in 1983?

• (2205)

[*English*]

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to point out to the hon. member that the minister has been aware for some time of the importance of directly linking manpower requirements of the aerospace industry with retraining facilities. In recognizing that manpower need, the minister, along with the commission, has been working with the industry to identify precisely the future manpower required by occupation and time-frame.

With respect to Quebec, in 1978, the province of Quebec, the commission and nine Quebec members of the Air Industry Association of Canada jointly with their unions signed a manpower consultative agreement funded 25 per cent by the industry and 37.5 per cent by the federal and provincial governments respectively. This agreement has been renewed for the 1981-82 year. A survey and forecast of 50 occupations covering the period August, 1978, to December, 1982, was completed and published in November, 1978. The Quebec deputy minister of education has indicated to the Quebec aerospace companies that the survey results, which are updated each year, will be taken into consideration in the planning of technical courses at certain universities and community colleges.

It was as a result of the survey in Quebec and the other provinces that a manpower agreement was finally negotiated with the National Air Industries Association of Canada. While the commission's officers in the Quebec region will work closely with the province of Quebec in the implementation of the manpower agreement—and they have been doing this, Mr. Speaker—it is not yet known whether a formal agreement will be signed with the province of Quebec since the executive director of the commission's Quebec region, having just recently received the national agreement, has not yet had the opportunity to complete his plans for its implementation.

ENERGY—NEGOTIATIONS TO CONCLUDE ENERGY AGREEMENT WITH PROVINCES

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise to put forward some views I have on a question I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) on June 12, 1980. I took exception at that point to the reply I was given. I do not think it was adequate and at this time I would just like to read the reply the minister gave to a question I asked in which I pointed out that Alsands at Fort McMurray and the Imperial Oil Cold Lake project were in danger of being shelved and stopped. That was on June 12, 1980, over a year ago. I pointed out there would be a delay, and I pointed out the real cost not only to the Canadian economy but also to the small businessman in the communities of Fort McMurray, Cold Lake, Grand Centre, Bonnyville, and the surrounding areas as well as to people in Alberta generally but, more particularly, to the industrial areas of Ontario and Quebec. The minister said:

> Madam Speaker, I would only answer the hon. member by indicating that the federal government is ready to and has approved proceeding with those two plants. As a matter of fact, Petro-Canada, with Alberta Gas Trunk Line, has already come out with a proposal for another plant, a third plant. So the federal government is very supportive of the construction of more tar sand plants. The companies are ready to go ahead with those plants.

I am sure the minister did not mean to mislead the House, but that is what he most certainly did because the companies are not ready to proceed with those plants. Spokesmen for Alsands and Imperial Oil have stated emphatically, over and over again during the past year, that they will not proceed with the plants even if they have the approval of the Alberta government because a pricing regime has not been established for the production from the two megaprojects in northeastern Alberta.

• (2210)

I am alarmed that no one has taken these statements of the spokesmen of these companies seriously enough to approach this very critical problem. The government has established and said that it would offer to the oil sands plants, the megaprojects, a floor price of $38 per barrel and tie any further price increases to the consumer price index. The companies have stated emphatically—and I must agree with them on this point because I live in Fort McMurray and I understand what they are talking about—that the consumer price index, as it is measured across Canada, does not relate to the costs experienced in northeastern Alberta in communities such as Fort McMurray, Cold Lake, Grand Centre and Bonnyville. It does not reflect the production costs and the construction costs because of the high cost of living and the high cost of contruction experienced in those areas. All these factors add to the cost of producing the oil. It is much higher and continues to escalate much more rapidly than the consumer price index. It is based upon what could be called a construction price index or whatever, but it is there.

I feel the minister, perhaps inadvertently, misled the House when he said that Alberta Gas Trunk and Petro-Canada were ready to proceed with another plant. Certainly in committee I asked officials of Petro-Canada if they were going to proceed with the development of a tar sands plant in northeastern Alberta in the heavy oil and tar sands area. They answered emphatically that they were. I asked them when they would have the plant on construction and producing. The minimum time required was at least ten years. They said that they were ready to proceed immediately, but in fact they are not ready because it takes five years of intensive work on the site to test the site area, to test the way the bitumen lies in the sand and to test how they will mine it. It takes at least five years to do the necessary preparatory work before they can get on with the construction of the plant. So I take exception to those answers.

In the one minute remaining I should like to point out that the government is still dragging its feet on a very fundamental issue. It is obvious the government has taken the position that it will take control and be damned about a secure supply of energy. The tar sands are the one thing we have in Canada which will adequately secure the supply of oil to the rest of Canada. The government has taken the position that it will

hold them back as long as it has to, that it is control it wants, and security of supply be damned. This is a miscarriage of justice for every man, woman and child in Canada.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to point out two things to the hon. member opposite. First, I do not think the minister misled the hon. member in his reply on July 2. Second, I think to some extent the member himself is misleading the House when he states that the federal government at the present time has no consideration for tar sands development in western Canada.

It has always been a principle behind the National Energy Program to place heavy emphasis upon the development of the tar sands projects in western Canada. The hon. member pointed out rightly that in October, 1980, the minister was prepared to offer the sponsors of those projects $38 per barrel for their oil and in addition a cost of living indexation so that it would be that much more profitable for these companies to develop the tar sands projects.

On July 2 the minister mentioned in the House that in the last several months some statements were made by the people involved in resource development indicating that they were not willing to go ahead with that kind of a joint venture. The minister pointed out that after his meeting with the minister of energy for Alberta on June 29, the project sponsor confirmed that it had dropped all such threats and was encouraged by the significant progress being made in the present negotiations between Ottawa and Alberta. At that time the minister went on to explain to the hon. member opposite that they have had several meetings in the last five to six weeks concerning the energy pricing agreement. Both the federal Minister of Energy, Mines and Resources (Mr. Lalonde), and his provincial counterpart in Alberta felt that significant progress was being made in reaching an oil pricing agreement.

● (2215)

I want to point out to the hon. member, with respect to the development of the tar sands projects in October, 1980, when the minister offered $38 a barrel with this indexation clause, that it was the Province of Alberta, which under its jurisdiction has the right to grant the licence for the development of the tar sands project, that it was the Province of Alberta which halted it and said that it would have to be part of the whole package in terms of the oil pricing agreement. Thus, the federal government's position has always been clear. We place great emphasis on the need to develop the tar sands projects in western Canada. We feel very strongly that, given the size of those resources, they, in fact, will be very decisive in terms of the ability of Canada to become oil self-sufficient during this decade.

As the minister has pointed out, the tempo of negotiations has been stepped up, with the fourth meeting since May being scheduled within the next few weeks. The minister also wanted to make it known that he feels these are very productive meetings. There is an increasing optimism of a good resolution of these difficult and complex issues.

HAZARDOUS SUBSTANCES—DANGERS OF USE OF MARIJUANA

Mr. Stanley Hudecki (Hamilton West): Mr. Speaker, my question on June 12, 1981 was directed to the Minister of National Research and Welfare (Miss Bégin). It reads in part:

> In light of the growing advocacy by some members of this House and the press for changes in laws pertaining to possession of marijuana which appear to lessen their severity, will the minister take equally aggressive action to warn and educate the people of this country by every means at her disposal of the long and short term medical dangers and hazardous effects of this drug, and introduce important medical considerations into the implementation of any proposed change?

In the answer given, the minister did not appear to put emphasis on the seriousness of the health dangers and hazardous effects involved with this drug and seemed to give priority to the legal injustices over the medical implications.

Marijuana is a very powerful agent which affects the body in many ways. A copious amount of scientific data has been accumulated in the period from 1975 to 1979. This data has been published in over 2500 scientific papers. Marijuana is unique in that it contains 60 chemicals called cannabinoids, which are not found anywhere else in nature. Of these 60, only five have been studied to any degree of completeness scientifically. The greatest and most intense work has been done on only one of these chemicals, namely, tetrahydro cannabinol, the most mind-altering chemical in marijuana. This drug has a tendency to seep into the fatty tissues of the body, including the brain. It is removed from the body slowly, requiring over 30 days to be completely excreted. Hence, many months are required before the body has totally recovered from the effects of this drug. Moreover, at the time of the LeDain report in the early 1970s, marijuana cigarettes had a THC potency of .5 per cent to 1 per cent. Today marijuana cigarettes contain a 3 per cent to 5 per cent concentration of this drug.

Recent research has shown that five marijuana cigarettes do as much damage as 112 ordinary tobacco cigarettes. Cigarettes containing marijuana have 50 per cent to 100 per cent more cancer producing drugs or chemicals than those of ordinary tobacco cigarettes. One third of the people smoking ordinary tobacco show an incidence of chronic cough and a predisposition to cancer as manifested by atypical cells in their sputum. However, with people smoking marijuana cigarettes, over 61 per cent show an incidence of a chronic cough and 100 per cent show atypical cells in their sputum, which is a step before a pre-cancerous change takes place in the lining of the airways.

● (2220)

Hard evidence is surfacing indicating that marijuana is far more dangerous to the health than suspected. At present, the scientific community is only in the preliminary stages of investigation. Not only does marijuana affect functioning of the body organs and systems but it also affects one's behaviour and performance.

In the field of driving skills, a 1974 British Columbia study has shown convincingly that subjects under the influence of cannabis showed impaired judgment in assessing traffic signals, and their response to rapidly changing environmental

situations and their ability to concentrate on driving was impaired.

In the United States post-mortem studies were carried out on drivers involved in traffic fatalities. It was found that 16 per cent of the drivers had used marijuana. This drug was second only to the use of alcohol as a factor in traffic fatalities. Current studies do not give a clear picture of the role played by marijuana in traffic accidents. In the hospitals of this country, it is impossible to assess the concentration of THC in blood by a rapid clinical test. Such a test has not yet been devised and is not available for clinical purposes. The assessment of the concentration of this drug in the blood necessitates a laborious clinical exercise carried out in a forensic laboratory. There is, therefore, a double standard in assessing impaired drivers. For those drivers suspected of being impaired by alcohol, there exists a test which gives a rapid, accurate and a precise indication of the concentration. However, there are no tests for those impaired by cannabis. The use of this drug can be discovered only by its odour, by previous contact with it, by training or by speculated guessing.

There is also considerable evidence suggesting the enhancing effect of cannabis on alcohol. The use of cannabis in combination with alcohol therefore presents another serious hazard in traffic safety. Alcohol is by far the most dangerous, best studied, most understood and publicly accepted intoxicant contributing to traffic accidents. Our knowledge of marijuana and its effects on car accidents is approximately 50 years behind that of alcohol and tobacco. But must we use the trial and error technique to establish its frightful role in traffic accidents and fatalities by allowing its more widespread use, by recommending what appear to be more relaxed marijuana laws, or should we be more cautious in changing any legislation until we really understand the part played by marijuana usage in the mounting traffic tolls?

Epidemiological studies on large segments of the population of users, such as have already been done in relation to alcohol and tobacco, are needed to fill in the gaps in our knowledge. It will take a generation or more of wide-ranging public health observations to provide a clear picture, especially among adolescents who are more susceptible to physical and mental changes due to rapid physiological and psychological development of their bodies.

In an atempt to correct legal injustice, let us not pave the road to greater assault on the body and mind of Canadians by facilitating the use of a powerful intoxicant such as marijuana which is not yet completely understood as far as its medical implications are concerned.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, perhaps before getting into the technical response to the question asked by the hon. member, I want to point out that I think there is some confusion which is being created here by the government's intention to lessen the penalties for possession of small amounts of marijuana. In fact, the rest of my response is predicated on the premise that if and when the government introduces the legislation, the Minister of National Health and Welfare (Miss Bégin) is prepared to undertake a rather extensive training and educational program for the Canadian public, because I think that the Minister of National Health and Welfare is very much aware of some of the serious side effects that marijuana can, in fact, produce.

This is not to say that when the government introduces this type of legislation we as a government are condoning the use of marijuana; we are simply becoming cognizant of the fact that there are significant numbers of young people in this country who have permanent criminal records because of very small quantities of marijuana being found in their possession. The government intends to continue going after the importers and traffickers of large amounts of marijuana as rigorously as it does under the present legislation.

● (2225)

I want to point out to the hon. member that the minister is aware of studies that have taken place all over the world regarding the side effects of marijuana. As a medical practitioner, I am sure he is aware that the Minister of National Health and Welfare recognizes that the regular use of marijuana, for example, can be as carcinogenic as any other kind of tobacco use; that we are aware that the use of marijuana, for example, can rapidly increase the heart rate of cardiovascular patients; that we are aware that marijuana used by very young people can change the hormonal balance; that there is growing evidence that it has some teratogenic side effects; that its use is not condoned by the government for young people or pregnant women.

The Minister of National Health and Welfare has a responsibility to teach the Canadian public about the health hazards of marijuana. If and when the Minister of Justice (Mr. Chrétien) introduces the legislation, the Minister of National Health and Welfare will undertake a program of education in collaboration with a number of the provinces and territories which are very anxious to jointly sponsor projects with the federal government. These would explain to the Canadian public the health hazards associated with marijuana.

I want to conclude by saying that it is very important that the public know the federal government does not condone the

use of marijuana but realizes that it is a fact of life in the country. If people are going to use marijuana, then I think an educational program should be undertaken by the federal and provincial governments that would adequately explain the health hazards associated with its use.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, July 7, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ADMISSION OF REFUGEES FROM EASTERN EUROPE—MOTION UNDER S.O. 43

Mr. Chris Speyer (Cambridge): Madam Speaker, in view of increasing concerns and fear in Poland about the possibility of Soviet invasion, concerns and fears which are causing thousands of Polish people to flee to Austria where they can seek refuge in the west, and given that the Canadian quota of refugees from eastern European countries for the current year has almost been exhausted and that the next few weeks will certainly see an even greater number of Poles fleeing their homeland, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government announce immediately that it will raise its quota of refugees from eastern European countries to take into consideration the worsening situation in Poland, and that it not leave such a critical decision in the category of merely looking at the possibility as the Minister of Employment and Immigration indicated in the House last week.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

POSTAL STRIKE—CALL FOR SERVICES OF CANADIAN ARMED FORCES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the Prime Minister (Mr. Trudeau), by statements in the House yesterday, appears to condone the lawlessness and irresponsibility of the CUPW leadership with Parrot promising defiance of any back to work directive from the House; whereas the current disruption of postal service in Canada only adds to the already heavy economic burden the government has heaped on all Canadians; and whereas it is time the federal government finally took a firm stand with the militant union CUPW, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House direct the President of the Treasury Board to seek assistance immediately from the Armed Forces to open and run the Post Office to move the mail and to defy the leadership of CUPW.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas a minister of the Crown has recently indicated that by the year 1985 it will be necessary to ration railway cars in western Canada and the government has offered no solution to the problem; and recognizing the fact that the handling by the Minister of Transport (Mr. Pepin) of the Dubin inquiry into air safety and the Grange inquiry into the transportation of dangerous goods has lost him the confidence of the industry; and since it has been reported that to fly a scheduled airline in Canada is twice as dangerous as to fly in the United States, I move, seconded by the hon. member for Athabasca (Mr. Shields):

That this House calls on the Prime Minister, for the safety and welfare of the Canadian public, to request immediately the resignation of the Minister of Transport and to appoint someone who comprehends the importance of transportation to the economy of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SCIENCE AND TECHNOLOGY

FUNDING FOR SOLAR RESEARCH—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. Despite the fact that the energy crisis first appeared some eight years ago,

the National Research Council of Canada continues to devote roughly 11 per cent of its budget to energy research and development. In spite of a recent all-party House of Commons report recommending increased R & D funding for alternative energy projects, some $750,000 originally earmarked for solar research has been "immobilized" and transferred to space research. Therefore I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the minister responsible for NRC instruct the manager to return or replace the funds immediately to solar research.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

NEW DEMOCRATIC PARTY CONVENTION—MOTION UNDER S.O. 43

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the recommittal of the New Democratic Party to the policy of withdrawal from NATO and NORAD which, if implemented, would leave Canada susceptible to expansionist pressures from unfriendly nations, I move, seconded by the hon. member for London-Middlesex (Mr. Bloomfield):

That this House condemns the New Democratic Party for continuing to accept a policy which could destroy the national integrity of Canada and severely weaken the western alliance.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed

Some hon. Members: No.

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THE ECONOMY

CALL FOR GOVERNMENT ACTION ON HIGH INTEREST RATES—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43. I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That this House condemn the government for not making a positive move on high interest rates which are bankrupting home owners, farmers and small businessmen and having a serious economic effect on the entire country, and call on the government to take some positive direction on high interest rates before the House recesses for the summer.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

SUGGESTED ESTABLISHMENT OF TASK FORCE TO INQUIRE INTO URBAN LAND HOLDINGS—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas railway lines interlace urban areas throughout Canada, often occupying extensive land surface areas in the downtown or core areas of cities; whereas the air rights and the subsurface rights above and below railway rights-of-way in urban areas have become extremely valuable and useful for high rise structures as well as for underground or subterranean structures; whereas much of the surface land for railway rights-of-way was deeded to Canadian Pacific and Canadian National Railways through federal government action, and ambiguity exists as to the ancillary rights of such deeds, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

• (1410)

That the government move to establish a joint federal-provincial-municipal task force to inquire into the matter of air rights and subterranean rights associated with railway rights-of-way in urban areas and subsequently make appropriate recommendations for government action.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ST. LAWRENCE SEAWAY

WELLAND CANAL BOTTLENECK—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43. As ship owners in anticipation of demand are today confidently investing some $440 million in the construction of ships for the Great Lakes Seaway, and whereas the Great Lakes Seaway Task Force has called for planning and design to begin at once for a major enlargement of the Welland Canal, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House instruct the Minister of Transport to commence action immediately—even short-term action if long-term action is repugnant to the government—to eliminate the Welland Canal bottleneck so that it can cope with present and future increased shipping demands.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN BROADCASTING CORPORATION

CALL FOR RESUMPTION OF NEGOTIATIONS TO SETTLE STRIKE—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the CBC has been on strike for over two months and that the people of Canada have been denied Canadian content in the field of broadcasting, I move, seconded by the hon. member for Beaches (Mr. Young):

That the government instruct the CBC management to meet with the NABET workers to settle this dispute without further delay.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

SUGGESTED INTRODUCTION OF BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday, when urged to introduce back-to-work legislation which would end the damaging postal strike now in its second week, the Prime Minister replied that Mr. Parrot, head of the Canadian Union of Postal Workers, "made it clear that, if legislated back to work, he would disobey the order." Therefore the Prime Minister said he was "at a loss to know what would advance negotiations for a settlement in this area." In view of the fact that in making this incredible statement the Prime Minister as much as conceded any sense of legal responsibility to CUPW and has, in fact, sanctioned their veto over parliamentary authority, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House condemn the Prime Minister for abdicating his responsibilities in this regard and, further, that it instruct the government to introduce immediately back to work legislation and, further, that this House not adjourn until full postal service is restored in this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ENVIRONMENTAL AFFAIRS

USE OF LOW SULPHUR ALBERTA COAL—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the burning of coals of high sulphur content aggravates the acid rain problem, and whereas Alberta has vast deposits of coals with a very low sulphur content, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the Government of Canada initiate some incentives to replace the high sulphur content American coals being used in Ontario with low sulphur Alberta coals, thus preventing some acid rain and giving work to Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

RESOLUTION OF FISHERIES DISPUTE AT RESERVES IN QUEBEC—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Given the problems with the Micmac Indians and the Quebec provincial police, and now another incident of citizens raiding a reserve in Quebec, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the Minister of Indian Affairs and Northern Development, the Minister of Fisheries and Oceans, the Quebec minister in charge of native people and the native people in the region meet immediately to solve this situation before it gets out of hand.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSTAL STRIKE—QUERY RESPECTING GOVERNMENT POLICY

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Prime Minister who is aware, I assume, or must be aware of the direct and indirect costs of the postal strike or mail strike. After all, the government was extremely

eloquent about these costs in 1978. Reliable estimates to date are that between 1,000 and 1,500 small businesses will go bankrupt each week, that 6,000 to 9,000 jobs will be lost each week, that the direct mail business people will lose some several millions of dollars every day that the strike goes on, not to mention those who are dependent on mailed cheques, and also the costs to government of lost revenues. Can the Prime Minister therefore confirm to this House whether, in fact, the statements of the President of the Treasury Board yesterday, to the effect that the government is prepared to see this strike go on all summer, are government policy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member does not ignore that any strike anywhere is bound to hurt someone. A strike against the government is more serious than other strikes. The basic question is: do we recognize the right to strike of public service unions or not? If one recognizes the right to strike, whether it be in the private or public sector, the way the strike operates is by effecting damage on one or other of the parties, and sometimes on third parties. I have not heard the Conservative party come out clearly and suggest that we abolish the right to strike. If they do, that will be more consistent with the position which they have been taking in the past few days.

Some hon. Members: Hear, hear!

STEPS TO ARRIVE AT SETTLEMENT

Mr. John Bosley (Don Valley West): Madam Speaker, the Conservative party has not heard the government indicate that it even cares whether these people go back to work. The government's position, I take it, as again expressed by the Prime Minister, is that the government would prefer a settlement at the bargaining table. That has been his position all along. At the same time the government has clearly indicated that it refuses, in any way, shape or form, to modify its offer. That suggests one interpretation, and one only, that there is only one settlement acceptable to the government, and that is the government's offer itself. Can the Prime Minister, in face of that, therefore indicate to this House and to Canadians how we would expect to get such a settlement without legislation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is quite wrong in the premise of his question. We have not said we would not discuss or we would not modify. We have said that that should be done at the bargaining table. Surely, if it is to be done at all, the other parties should come to the bargaining table and begin bargaining.

Some hon Members: Hear, hear!

TIMING OF PARLIAMENTARY SUMMER RECESS

Mr. John Bosley (Don Valley West): Madam Speaker, we have this strike because for three days there was hard bargaining at the bargaining table, and the government's negotiators were given a mandate not to move one penny, one inch or one jot on a clause. The only credible way in which one can interpret the Prime Minister's answer to this House is to assume that the Prime Minister and the government in fact, are planning an initiative which they have not yet announced. Therefore my question to the government is this: does the government, in fact, intend to adjourn this House before the strike is settled?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we do not know when the strike will be settled. We do know that the House leaders are talking about adjournment days. The opposition House leader mentioned possibly next Friday. I believe the House leaders are discussing matters now. Therefore the two events will happen, one before the other, or the other before the one, depending on whether—

Some hon. Members: Oh, oh!

Mr. Trudeau: It might happen simultaneously, depending on whether the CUPW union negotiators want to come down and sit at the table.

INTRODUCTION OF BACK-TO-WORK LEGISLATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to address my supplementary question to the Prime Minister. After the rather gobbledygook answer he gave to the previous question, perhaps he could give some clarification to the rather ridiculous proposition that he put forward yesterday, in terms of the fact that legislation was not contemplated because Mr. Parrot would not obey any law which was brought before Parliament and passed by Parliament. It was not bad enough that the Prime Minister said that, and I thought that maybe it was a joke on his part, but the Liberal headquarters in Toronto are now giving that answer to people who are phoning in to ask why the government is not taking any action. The answer given is that it is because Mr. Parrot will not obey any law which is passed by Parliament. I want to ask the Prime Minister whether it is government policy that it will not bring in any legislation until Mr. Parrot is satisfied with the law which will be passed by Parliament.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member refers to my answer yesterday, he will see that I was pointing out the rather, I believe, unsustainable position of the union leaders. Mr. Parrot, on the one hand, does not want to sit down and negotiate, which, as the hon. member's colleague argues, should lead us to want to legislate; but on the other hand Mr. Parrot says he would not obey the legislation, if I understand him to be reported correctly.

An hon. Member: Throw him in jail.

Mr. Trudeau: Therefore I think that this indicates that the union leadership is somewhat inconsistent with its logic. I wish the hon. member would attack that question rather than the position that I explained in the House yesterday.

• (1420)

REQUEST FOR COMMITMENT TO ACTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the position of the Prime Minister is completely irrelevant to the whole issue of whether Parliament should have the right to legislate as it sees fit and as is appropriate under the circumstances. What the Prime Minister has done, in effect, is to give Mr. Parrot a veto over whether Parliament is going to act and to take its responsibility.

Negotiations between CUPW and the government are paralysed. The Prime Minister seems to be paralysed by a fear of Mr. Parrot. I want to ask if he has no compassion for the average citizen of this country who is bearing the brunt of the postal strike, and will, if we listen to the President of the Treasury Board, bear the brunt over the course of the summer until Parliament is reconvened, at least until next fall. Has he no compassion? Will he not give an undertaking that, unless there is some movement forward before Parliament adjourns, he will take legislative action? We on this side are prepared to stand and take our responsibility and to stay here until the matter is resolved.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I wish the hon. member opposite had not referred to the fear of the government of union leaders. If my recollection is exact, it was during the 1980 election that the party opposite, when it formed the government, settled with the LCUC at an unconscionably high rate. It did that because it was afraid either of the union leaders or the electorate.

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EXTERNAL AFFAIRS

EL SALVADOR—CANADIAN GOVERNMENT POSITION ON HOLDING OF ELECTIONS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is directed to the Secretary of State for External Affairs and it concerns the question in El Salvador which is continuing to do damage to the people there. Recent reports in *The Globe and Mail* indicate that the people in the elite, who one would think would support the present junta, are saying, and I will read a small paragraph quoting a person interviewed there as follows:

> He regards elections for a constituent assembly, scheduled for next March, as "a gimmick" to cement the Christian Democrats' hold on power. "Nobody else is going to campaign," he says. "They'll be killed the first day."

In light of this situation, I wonder if the minister is now prepared to reconsider his position regarding conditions in El Salvador.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. member quotes some people from the press who were interviewed in El Salvador. There are many people interviewed by the press about the situation there. It is not our role to pass judgment on the daily events in that country in that respect. Having profound faith in democracy, we believe the best way to resolve the problem of that country is through free elections.

METHODS TO ENSURE RETURN OF PEACE

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my second question would be along a similar line. I, too, believe that the question should be solved in a democratic way if that is possible. It would also seem, and again I take my information from journalists going into the country, that now the peasants likewise see no possibility that there can be free elections. I would ask the minister again if he is prepared to look at other ways in which the problem can be faced, so that peace can return to that land.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, our interest is certainly in peace, and in a political settlement. We retain an open mind on the best way in the future to proceed toward that. We have not lost our confidence that the democratic process and the process of free elections can bring about a resolution to the problems in El Salvador.

REQUEST FOR HOLDING OF MINISTERIAL TALKS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I should like to ask the minister if he would be prepared to go and talk to his counterparts in the different countries neighbouring El Salvador, the ministers of external affairs for Mexico, Venezuela, Cuba and Nicaragua. Canada still has a role to play and has a very good image in that part of the world. Would the minister be ready to make such a move to see if there is a better way to solve this than waiting for elections?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, to the best of my knowledge our policy is the same as that of the other countries the hon. member mentioned. Since I will be meeting the foreign ministers of most of those countries this weekend, I will certainly undertake to discuss that issue with them.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE HON. CHIEF ETENG OKOI-OBULI, MINISTER OF STATE FOR COMMUNICATIONS, NIGERIA

Madam Speaker: I should like to greet in our gallery the Hon. Chief Eteng Okoi-Obuli, Minister of State for Communications, of Nigeria.

Some hon. Members: Hear, hear!

● (1425)

ENERGY

NEGOTIATION OF AGREEMENT WITH PROVINCE OF ALBERTA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Prime Minister. It is very clear that the lack of an agreement with the province of Alberta on energy policy as well as the many other aspects of the Liberal energy program, including the Fina purchase, increased imports, etc., have resulted in a large outflow of capital of approximately $10 billion over a one-year period, with a consequent increase in interest rates of at least 3 per cent to 4 per cent.

Is the government conducting any studies on the cost of this 3 per cent to 4 per cent increase in interest rates to the Canadian economy, whether it is to small businessmen, home owners, large business, governments themselves, all of whom must pay these high rates directly as a result of the Liberal energy program, and are these costs related in any way against any possible benefits that might be gained from these protracted negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member's question seems more rhetorical than real. I have no way of challenging these figures which he brings forward. They are of a statistical nature. He asked if studies are being done. I am sure that if the hon. member sends me the basis of his calculations, I could have them verified. But in so far as the issue itself is concerned, the hon. member knows that there have been meetings, even quite recently, between officials and ministers of the government of Alberta and the Government of Canada, and both sides have stated that they very much want to reach a settlement satisfactory to both sides.

REQUEST THAT PRIME MINISTER ENTER NEGOTIATIONS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am very surprised that the government is not conducting any studies on the cost of high interest rates to the Canadian economy—

Mr. Trudeau: I did not say that.

Mr. Wilson: —because it is clear, according to many observers, that these are as a result of the National Energy Program. The three to four percentage point increase in interest rates, the deadlock with the province of Alberta, the high imports of oil, the loss of 40 per cent of Canada's drilling rigs, are all the result of the failure of the minister of energy to reach an agreement with the province of Alberta. The cost to Canadians in the form of these high interest rates, the $6 billion increase in tax that has taken place, plus the lost opportunities, is immense. Will the Prime Minister now accept his responsibility, replace the minister of energy in the negotiations and take part himself directly with the Premier of Alberta, and try to reach some resolution to this stalemate after 16 months of failure?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member could talk about more than 16 months of failure because I think he should add to that the eight months when the government of which he was a member failed to reach an agreement with Alberta.

Mr. Hnatyshyn: We got an agreement.

Mr. Trudeau: In view of the fact that the Tory government was brought down without having reached an agreement with Alberta, it seems to me that the Tories should more realistically than others be aware that to reach an agreement you need two parties to agree.

Mr. Wilson: Sixteen months?

Mr. Trudeau: Sixteen months. But the same time span ran against the government of Alberta as against the people of Canada, Madam Speaker.

Mr. Wilson: Sixteen months.

Mr. Trudeau: Sixteen months ran against both parties. I repeat, whether it is six months or 16 months, you need two people to reach an agreement.

Mr. Wilson: Replace him.

Mr. Trudeau: It is beyond me why the hon. member on the one hand complains about inflation and the high cost of living, and on the other hand wants this government to sign an agreement at any price with the government of Alberta. That is not our position.

* * *

NATIONAL ENERGY PROGRAM

REPRESENTATIONS MADE BY UNITED STATES GOVERNMENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, I have a supplementary question for the Secretary of State for External Affairs. In recent weeks some U.S. administration officials and a number of congressmen have warned about the possibility of U.S. retaliation against Canada because of various aspects of this country's National Energy Program. What specific official representations have been made to the Canadian government regarding possible retaliation against Canadian interests arising out of Canada's energy policy?

● (1430)

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the United States Congress is a very turbulent place, perhaps even more so than this House. We do not follow a policy of taking every comment made in Congress as an indication of an intention on the part of the U.S. administration. To the best of my knowledge there have been no representations of any kind by the U.S. administration except those that were made some time ago, to which we responded, concerning the National Energy Program.

POSSIBILITY OF RETALIATORY ACTION BY UNITED STATES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my final supplementary is to the same minister. Surely he will recognize there is more than one way for the United States to skin the Canadian cat. In light of that, does he appreciate that United States reprisals against Canada over energy could be direct in the form of tough action against oil companies, or indirect through a lesser commitment by the U.S. administration to address other bilateral concerns between the two countries, for example, acid rain? In light of what I just said and what he just said, either through specific representations, through public statements or other avenues, has U.S. pressure on Canada been in the form of direct retaliation against our oil industry, or of indirect retaliation like the clear lack of support for such bilateral concerns as acid rain?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, there is no indication of retaliation of any kind on the part of the United States government. Generally speaking, both the U.S. and Canadian governments follow the policy of not linking issues in various fields, in other words not retaliating in one field for what happens in another field. I believe that still to be the policy of the U.S. government as it is of this government. We have no indication of any kind of indirect retaliation of the kind spoken of by the hon. member.

* * *

[*Translation*]

THE CONSTITUTION

INQUIRY WHETHER PRIME MINISTER WILL MEET INDIAN LEADERS

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Prime Minister. Considering that the relations between the Indians and the Quebec government have now taken a turn for the worst, that the salmon issue has gone far beyond salmon fishing as such, directly affecting as it does the Indians' way of life, their property rights as well as their habits and customs, would the Prime Minister agree to propose a meeting with the Indian chiefs with a view to taking a closer look at the whole native question in the light of the amendment made to his constitutional proposal?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I think the hon. member is right when he states that this problem goes far beyond the sole issue of fishing, about which indeed the Minister of Fisheries and Oceans said in the House that it was of great concern to him. But, first and foremost of course, it is also a matter for the Minister of Indian Affairs and Northern Development. I heartily welcome the suggestion of the hon. member that perhaps those two ministers might consult each other to arrange a meeting with the Indian chiefs if they feel that it might promote better understanding. I for one have already indicated to the Indian leaders of Canada, including those of Quebec, that I would be prepared and willing to meet with them this fall to discuss the whole question of native rights. In my opinion, the suggestion of the hon. member is therefore worthy of consideration.

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[*English*]

SEARCH AND RESCUE

PLEA FOR PROVISION OF ADDITIONAL MEN AND EQUIPMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of National Defence. It concerns the sinking of the Canadian vessel *Arctic Explorer* and the tragic loss of 13 lives. The commanding officer of the Canadian Armed Forces rescue co-ordination centre said late last year that he did not have the manpower or the equipment to fulfil his mandate. He went on to recommend:

> We need fixed-wing support out of Gander, Newfoundland. We have requested it but perhaps someone will wait until we have a tragedy and then suggest it.

Why has the minister not responded to this public plea of the commanding officer of the rescue co-ordinating centre for more men and equipment and for the deployment of fixed-wing aircraft in Newfoundland?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I read very carefully the question asked yesterday by the hon. member of my colleague, the Minister of Transport. I believe that the minister gave two answers which were quite adequate in the circumstances. The hon. member should know that, since 1978, we have been implementing improved programs in all areas of search and rescue. We have increased the budget. At the same time, we have developed a satellite program. Moreover, we have established a program to improve the facilities and material available in search and rescue operations.

Like all my colleagues, I am terribly sorry there was loss of life yesterday when the *Arctic Explorer* sank. According to the preliminary reports I have received, there does not seem to have been any negligence on the part of the officers or of the search and rescue team. On the other hand, as we are always aware that this whole issue must be fully looked into since it is often a question of life or death, we shall request a complete report on this incident in order to determine how we make the system even better.

[*English*]

STATIONING OF FIXED-WING AIRCRAFT IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, the question is a very simple one. The commanding officer said the centre just does not have the type of resources that can respond to a mid-ocean tragedy. They do not have the resources to respond to a tragedy in the northwest Atlantic, on the 6,000 miles of Newfoundland coast and/or the coast of

Labrador, because of the time required to get an aircraft from Prince Edward Island or Nova Scotia to the scene. It has to refuel in Gander. That takes anywhere from four to six hours. Would it not help to cut down on the lead time and reduce the incidence of tragedy by having fixed-wing aircraft deployed in Newfoundland? Why does the government not follow this simple yet very important recommendation of the commanding officer of the rescue co-ordination centre?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I find the request of the commanding officer of this station quite normal. He would like to have the facilities and equipment required to respond to every possible accident or incident. However, as the hon. member has just said himself, it is obviously impossible to have the resources and equipment required to guard against all possibilities along 4,000 miles of coastline both on the Atlantic and on the Pacific coasts. We try as much as possible to centralize our equipment and resources in locations where most incidents happen. Everyone knows that we try to station most of our equipment on the west coast for spring fishing and we do the same in north eastern Canada at the time of the seal hunt. However, it would be absolutely impossible—and I believe that the hon. member realizes it—to cover 4,000 miles of coastline with all the equipment and resources required to be able to respond within 10 or 15 minutes. We have all sorts of programs in this regard, and I mentioned earlier our participation in the SARSAT program which is a satellite program that might allow us to respond more quickly. However, with the resources and the equipment now at our disposal, we make every effort to save lives, and I believe that rescue operations were most satisfactory in the case of the *Prinsendam*, for instance. And even in this most recent instance, I believe that our team showed much leadership and that if lives were saved, it was because our search and rescue operations were very effective.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

FUNDING FOR SOLAR RESEARCH

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of State for Science and Technology. The minister knows full well that very little R & D money in the National Research Council budget goes into energy research, I believe about 11 per cent. The manager of the NRC has admitted that over $1 million of R & D funds has been diverted from solar research to other programs. In the past ministers of the Crown have suggested that alternative energy is a priority among Canada's research and development projects. In view of the fact that this diversion has taken place, will the minister demand that these funds be replaced immediately so that Canada can maintain a lead in solar research and technology?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the hon. member is correct. Certainly we are extremely interested in alternative energy sources and are conducting considerable research into that area. Perhaps he may not have noted that recently I appointed a task force on alternate energy uses. It will be reporting to me, I hope fairly promptly, with useful suggestions as to how we might remodel our research efforts in this area. There is much that is done outside the National Research Council to which he specifically referred. I will look into the question the hon. member has raised and report back to him.

APPORTIONMENT OF FUNDS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I am sure the minister would be quick to admit that whatever the task force reports in terms of recommendations, it would be very difficult to accomplish this task if $1 million were missing from the R & D till. Is the minister aware that $750,000 was tranferred from solar to space research? Another $350,000 went into fusion which is still in the energy bag, admittedly a long way down, and there was no consultation at all with EMR, according to the reports I have, at a time when I think it is essential for Canada to develop its technology and strength in those various alternative fields. The ground rules have been broken in terms of transferring energy funds to another fund not directly related to energy, without consultation. Will the minister look into this and develop some ground rules so this kind of transfer, the old shell game, will not be permitted in future?

● (1440)

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the member is incorrect in asserting that somehow basic rules or guidelines have been broken. There is considerable flexibility in the allocation to the National Research Council's resources. I doubt that the hon. member would want me to supersede the National Research Council in those legitimate functions. I have said that I will examine what the rationale is for any transfers of funding that have taken place. The hon. member should recognize that there is in Canada's research efforts a major emphasis attached both to energy and alternate energy sources, and those projects, not all of which by any means are within the National Research Council, do go before the energy panel for assessment which involves all relevant departments and government institutions.

[*Translation*]

HOUSING

ALLOCATION FOR CONSTRUCTION OF HOUSING—POSSIBILITY OF INCLUDING HOUSES FOR THE HANDICAPPED

Mrs. Thérèse Killens (Saint-Michel): Madam Speaker, my question is for the minister responsible for the Canada Mortgage and Housing Corporation. The Minister of Finance announced yesterday in Vancouver that the minister's department would provide special allocations for 2,500 additional housing units. Can the minister tell us where these low cost housing units will be built and whether he plans to include housing for the handicapped?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am very pleased to respond to the question of the hon. member and to her concern for the handicapped. Yes, the Minister of Finance indicated that CMHC had announced an additional 2,500 starts this year to serve co-op and non-profit organizations, with special preference and attention to those people having special needs, the handicapped. I might indicate that in making the announcement the minister also indicated it was a modest response, bearing in mind inflation and the need for government restraint, but I think the allocation will be received well by the municipal representatives who have indicated the very tight markets. I am thinking in particular of the 1,000 increase in unit designation in Vancouver, the increase in the designation in Calgary, and similarly in metropolitan Toronto as well as in Halifax.

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THE JUDICIARY

REQUIREMENT FOR EXTRA JUDGE IN DISTRICT OF PEEL, ONT.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Justice and Attorney General. On July 2, 1980, I wrote the minister requesting an extra complement for a judge in the judicial district of Peel. At that time he passed the buck to the Ontario Attorney General who did make a request for that extra complement in September, 1980. When might we expect that extra complement in the judicial district of Peel?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, very soon.

TIMING OF APPOINTMENT

Mr. John McDermid (Brampton-Georgetown): That is good news, Madam Speaker, but I have heard that for about a year now. Since the senior judge has literally gone on strike at the court and refuses to assign any more cases until another judge is appointed, will the minister give us a specific date so that Judge Shapiro can start assigning cases again? He has quit assigning them out of sheer frustration.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said I will be making an appointment very soon.

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COMMUNICATIONS

DEPARTURE OF DEPARTMENTAL OFFICIALS INVOLVED IN DEVELOPMENT OF TELIDON

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of Communications who is currently behind the curtains. I wonder whether he could be encouraged to return to the House. The Minister of Communications recently announced that two senior officials of his department will be leaving the employ of his department to join Norpak Limited which is the sole licensee of the Department of Communications technology for Telidon. Those senior officials were involved in the development of Telidon. Has the minister satisfied himself that those job transfers from DOC to the private sector meet the terms and conditions set down by the Prime Minister in the conflict of interest guidelines in 1978, and in particular the guidelines which were sent to each senior member of the Department of Communications by Bernard Ostry, the former deputy minister, on August 2, 1978?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, one of the challenges that faced this government with the Telidon project was the taking of this technology which was developed within the government, within the government laboratories, and getting it out into the hands of industry so it can be promoted in a way that only business can accomplish that kind of promotion. One of the side effects, of course, is that a whole new industry was launched in Canada, and a number of people with the Department of Communications, particularly those associated with the development of Telidon, were asked to join some of these new ventures.

As to the specific question raised by the hon. member, there is also a proviso in those guidelines whereby an application can be made to the Public Service Commission for an exemption from the guidelines. We are in the process of requesting that exemption. That exemption can be made when the public interest is better served by the people leaving the government to join the private sector.

DATE OF PUBLIC SERVICE COMMISSION DECISION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, are the two officials in question still in the employ of the Department of Communications, and when is a decision expected from the PSC?

Hon. Francis Fox (Secretary of State and Minister of Communications): I would have to check, Madam Speaker. My understanding is that at least one of those two individuals involved is still with the Department of Communications but

will be leaving in the near future. As for the decision requested from the PSC, we hope to obtain it as soon as possible.

* * *

POST OFFICE

SERVICE PROVIDED BY RURAL OFFICES DURING POSTAL STRIKE

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct my question to the Postmaster General. In view of the fact that in many of the rural areas of Canada CUPW workers and members of the postmasters' union are keeping our rural post offices open, delivering that mail which has been posted locally, distributing it primarily to individual mail boxes, would the minister, in a positive vein during this time of the strike, now that the government appears to want to allow the strike to continue for some time, allow those people in those rural areas who have kept these post offices open, and providing a service, to take the mail in given regions from one post office to another, allowing distribution locally so that at least within a given region we can continue the mail service there? These are rural areas where we have small businesses, without the electronic transfer of money or telex, and the post office is so essential to the business community.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, we are aware of this situation and, indeed, as the hon. member will understand, this situation could create some pressure on union negotiating teams to go back to the table to settle through negotiations. Quite clearly there are a number of individuals who belong to this union who did not vote when the vote took place, who are dedicated to the postal service, and who are indeed very much eager to work and perform.

If every member of the House of Commons understands that the best place to negotiate is at the table and not on the floor of the House of Commons, and if everybody takes this responsible approach the hon. member just took, rather than the one taken previously by some colleagues of the hon. member, this would enhance our chances of a negotiated settlement.

TREATMENT OF EMPLOYEES WHO REMAIN ON DUTY

Hon. Jake Epp (Provencher): Madam Speaker, I would still appreciate if the Postmaster General would answer the question as to whether he will authorize that inter-post office exchange of mail, because it would obviously help in rural areas. I agree with him that there are many union members, at least in the rural areas, who want to stay on the job, and in fact are doing so. Having said that, would the Postmaster General give us one other assurance, that those members of CUPW who are manning the local rural post offices, if the strike continues for some time, will not be issued unemployment slips and will not be locked out, as in fact happened in previous strikes of this nature?

• (1450)

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): The hon. member will understand it is too early at this stage to have an exact reading of the situation. I think we have to monitor the situation, and look at it very carefully. Indeed, in consultation with Treasury Board, the Post Office will take the appropriate steps as the strike evolves and as chances of bringing the parties back to the negotiating table are foreseen. I would rather wait to see how things evolve before giving any specific assurance one way or the other to the hon. member.

STATUS OF RURAL MAIL CARRIERS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my supplementary is to the Postmaster General, given his answer that it is too early to make a decision with respect to the matter raised by the hon. member for Provencher. It is unfortunate the government will not legislate the postal workers back to work, but that is a decision ministers have made. However, it has not been too early for the government to make a decision with respect to rural mail carriers. I have heard from several of them that the government has exercised its prerogative to reduce their compensation because of inactivity and, as a result, those people, who are also anxious to work, are being penalized. Would the Postmaster General investigate that situation to see whether that order, which incidentally was delivered by courier, to one I spoke to, could be rescinded so these faithful employees do not have to bear that burden?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Yes, at the request of the hon. member I will investigate this. His representations clearly indicate the difficulty we are in; there is pressure on everybody. When the hon. member indicates it is regrettable we have not decided to legislate, I think he is wrong in saying that, because clearly at one point union leaders will have to realize they also have to suffer the pressure of calling the strike. If they could always run for cover, thinking that Parliament will immediately act and pass legislation, I think that would be a very bad process. The hon. member should appreciate that it is important that everybody suffer the pressure for a little while, including the union leaders who called for a strike.

Mr. Baker (Nepean-Carleton): The question of the public interest is always involved in matters of public service strikes. It is not the right to strike; it is a question of the public interest.

DELIVERY OF INCOME TAX REBATE CHEQUES

Hon. Walter Baker (Nepean-Carleton): My supplementary is to the Minister of National Revenue. He indicated on Friday a plan was in place to deliver some 600,000 or 700,000 income tax refunds, and there had been some complaint about the system previously in place. Could the minister enlighten us

as to whether or not a scheme has been arranged, or rearranged, in order that all those Canadians, not just the hardship cases, can get the money owed to them by the Government of Canada?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, we are presently making arrangements to transfer refund cheques from the offices of my colleague, the Minister of Supply and Services, to our 28 district offices across the country. This process will take several days, but they will be sorted and made available to people in those district offices. I am further consulting with my colleague to see if indeed we can go even further than that.

I should say that some of the cheques are indeed in the Post Office now and it will be impossible to get them back. As the cheques are sorted by computer on an ad hoc basis and not a regular basis like other transfer payments, it is not going to be as simple to effect the distribution. I would also say we have to be careful here because of the way these cheques come out of the computer, and also because of the amounts involved. We have to bear in mind not only making the money available to people but indeed making sure that the right money gets to the right person. We are putting a system in place, Madam Speaker, which I hope will be effective.

* * *

HEALTH

MARKETING OF BABY FOOD BY DUMEX COMPANY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. The Canadian government took a very commendable stand at the WHO conference when it supported the international code of marketing of breast milk substitutes. However, it has been reported by International Baby Food Action Network that Dumex, a company controlled by the CDC, is in repeated violation of the code in Asia and Africa. These violations, including posters advertising Dumex products, the distribution of samples, and milk nurses, continue to this day.

In view of the harm done by inappropriate use of breast milk substitutes which the government has recognized by its stand at the international conference, will the minister, along with the government appointed members of the CDC board, approach the chief executive officers of the CDC and Dumex and ask them to make sure Dumex is conducting its activities so that they conform to the code of conduct which the government supports?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, neither at the officials' level nor at my own level in the ministerial office have I received any complaint against any specific Canadian companies on that topic. However, I have requested my officials to look into the matter of Dumex and report back to me as soon as possible. I will then consider the appropriate action.

QUERY RESPECTING FEDERAL-PROVINCIAL ACTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, Canada has a responsibility and an opportunity to follow up on its support of the code of conduct by moving in Canada to eliminate inappropriate use of breast milk substitutes and the promotion used by the formula companies to increase this use.

Is the minister working with the provinces to negotiate a joint plan of action to stop infant formula promotion, particularly in the hospitals, and would she be willing to enlist Canada as one of the countries in which adoption of the code is monitored by WHO, as requested by INFACT Canada and other groups interested in promoting breast feeding?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the answer to the first part of the question is yes, we have started working with the provinces. I am very happy to say that the province of Quebec has now stopped distribution of free packs of infant formula by way of promotion in any hospital of that province. In addition, federal hospitals do not permit this practice. I count on the other provinces to join the group, and I am sure the hon. member will help me to obtain Saskatchewan's approval as soon as possible, as well as Manitoba and a few other provinces where he could be very useful in making sure these packs are not distributed.

As to the plan for monitoring compliance with the WHO code, that plan will be presented to the executive of WHO in January, at which time we will study it to see how it can apply to Canada.

* * *

IMMIGRATION

ADMISSION OF DISABLED REFUGEES—AGREEMENT WITH PROVINCE OF MANITOBA

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is for the Minister of Employment and Immigration. Media reports this morning indicate the province of Manitoba and the federal government were working on an agreement to permit disabled persons to enter Canada who otherwise might not qualify under health requirements. If this is in fact taking place, it is commendable. Is the minister taking any initiative to encourage other provinces to take similar action?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, with respect to the proposed acceptance of disabled refugees, last October I wrote to the minister in Manitoba and we have drafted an understanding or agreement on that matter. We have now submitted that draft to other provincial governments and we hope they will follow the lead of Manitoba and join us in this co-operative venture.

Oral Questions

POST OFFICE

GOVERNMENT POSITION ON POSTAL STRIKE

Mr. Otto Jelinek (Halton): Madam Speaker, my question is addressed to the Prime Minister. As he knows, the Liberal government under his leadership legislated striking postal employees back to work in 1975, and again in 1978 after a one day illegal walk out. In view of the fact the present strike is now into its second week at a time when our economy is already being devastated by high interest rates, inflation and so on, can the Prime Minister explain the inconsistency between his government's past actions and its present stubborn position of refusing to legislate CUPW back to work?

Right Hon. P. E. Trudeau (Prime Minister): Surely, Madam Speaker, I do not have to explain what the hon. member calls inconsistency. He must know that when the right to strike exists there is no determination that one or the other party must cave in on a certain day.

• (1500)

Mr. Jelinek: Madam Speaker, I do not have to say that the Prime Minister did not answer my question at all.

SUSPENSION OF RIGHT TO STRIKE

Mr. Otto Jelinek (Halton): Madam Speaker, my supplementary question is a different one but on the same subject. Earlier in question period the Prime Minister said that one of the reasons he will not legislate the posties back to work was because he has not heard anyone suggesting that the right to strike in essential services should be suspended. That does not really make sense from one to the other, but that is what the Prime Minister said.

I have before me a questionnaire which indicates that 83 per cent of my constituents want us to suspend the right to strike in the essential service sector of the economy, and by all indications so do the majority of Canadians. Why does the Prime Minister and his government consistently refuse to act in accordance with the wishes of the majority of Canadians on this matter, and others in the past as well?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member misquotes me. I did not say no one wanted to take away the right to strike. I said that it was not, to my knowledge, the position of the Progressive Conservative party.

An hon. Member: It is.

Mr. Trudeau: If it is, they would be listening to the 83 per cent of the constituents of the hon. member.

Mr. Jelinek: You are the government; you are the government.

Mr. Trudeau: Thank you very much.

ROUTINE PROCEEDINGS

[*English*]

TABLING OF TASK FORCE REPORTS ON LABOUR MARKET DEVELOPMENT AND UNEMPLOYMENT INSURANCE IN THE 1980s

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, under the provisions of Standing Order 41(2), I have the honour to table in both official languages the report of the Task Force on Labour Market Development in the 1980s and the Task Force on Unemployment Insurance in the 1980s, as well as copies of the relevant public affairs material.

* * *

PETITIONS

MR. WILSON—RESOLUTION OF POSTAL STRIKE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have the honour today to present a petition on behalf of a number of residents of my riding of Etobicoke Centre. It arises out of the concern they feel respecting the effects of the postal strike and the anticipated duration of the strike as a result of statements made by the Prime Minister (Mr. Trudeau) and others in the government. In effect, the petition calls upon the government to seek a resolution of the strike immediately because they believe the country cannot survive another period of postal disruption.

Some hon. Members: Hear, hear!

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,328, 2,481, 2,488, 2,504, 2,566, 2,607, 2,609, 2,615 and 2,617.

[*Text*]

RCMP—APPEARANCES BEFORE INTERNAL SERVICE COURTS

Question No. 1,328—**Mr. MacKay:**

1. For the fiscal year (a) 1976-77 (b) 1977-78 (c) 1978-79 (d) 1979-80, under the Royal Canadian Mounted Police Act and its regulations, how many members of the RCMP have been required, as part of a disciplinary action, to appear before internal service courts without the aid of legal counsel?

2. (a) For the same years, how many members of the Force were convicted of an offence by the service courts using Sections 36 to 38 of the Act and how many convictions fell in each of the various categories of punishment (b) did any of the trial officers act without benefit of legal training and, if so, how many?

3. For the same years, how many appeals were forwarded by the commissioner to the board of review as established under Section 43 of the act?

4. How many appeals were forwarded to the commissioner for the attention of the officer in charge of discipline pursuant to administrative bulletin 290 of May 23, 1975, entitled "Grievances and Appeals" or its successor?

5. With reference to regulation No. 33 respecting the organization, discipline and administration of the Royal Canadian Mounted Police, established under the Royal Canadian Mounted Police Act, does the regulation deny members of the force legal counsel and, if so, is consideration being given to its revision?

Hon. Bob Kaplan (Solicitor General): 1. The following figures represent the number of members required to appear before internal service courts during fiscal years 1976-77 to and including fiscal year 1979-80. Regulation 33 and force policy prohibited representation by professional counsel:

(a)	1976-77	31
(b)	1977-78	20
(c)	1978-79	15
(d)	1979-80	5

2. (a) Of the 71 service courts convened, 39 were for minor service offences (RCMP Act, Sec. 26) and 31 convictions were registered as follows:

1976-77 7 members were fined (Act, S. 36(2)(b))
3 members were reprimanded (Act, S. 36(2)(e))
3 members received a fine and a reprimand (Act, S. 36(2)(b) and (e))
1 member was fined and recommended for discharge (Act, S. 36(2)(b) and S. 38))

1977-78 5 members were fined (Act, S. 36(2)(b))
1 member was reprimanded (Act, S. 36(2)(e))

1978-79 5 members were fined (Act, S. 36(2)(b))
2 members were reprimanded (Act, S. 36(2)(e))
1 member received a fine and a reprimand (Act, S. 36(2)(b) and (e))

1979-80 1 member was fined (Act, S. 36(2)(b))
2 members were reprimanded (Act, S. 36(2)(e))

The remaining 32 service courts were for major service offences (RCMP Act, Sec. 25) and 29 convictions were registered. Following are the punishments imposed during fiscal years 1976-77 to and including 1979-80:

1976-77 7 members were fined (Act, S. 36(1)(b))
1 member was reprimanded (Act, S. 36(1)(f))
1 member was fined and demoted (Act, S. 36(1)(b) and (d))
1 member was demoted (Act, S. 36(1)(d))
2 members were fined and recommended for discharge (Act, S. 36(1)(b) and S. 38))

1977-78 6 members were fined (Act, S. 36(1)(b))
1 member was reprimanded (Act, S. 36(1)(f))
1 member was fined and reprimanded (Act, S. 36(1)(b) and (f))
1 member was fined and required to pay restitution (Act, S. 36(1)(b) and Act, S. 37))
1 member was demoted and recommended for discharge (Act, S. 36(1)(d) and S. 38))
1 member was demoted and required to pay restitution (Act, S. 36(1)(d) and Act, S. 37))

1978-79 1 member was reprimanded (Act, S. 36(1)(f))
1 member was fined and required to pay restitution (Act, S. 36(1)(b) and Act, S. 37))
1 member was recommended for discharge (Act, S. 38)
1 member was required to pay restitution (Act, S. 37)

1979-80 1 member was fined (Act, S. 36(1)(b))
1 member was reprimanded (Act, S. 36(1)(f))

(b) Of the 54 trial officers involved in the 71 service courts convened, 53 acted without the benefit of formal legal training.

3. During fiscal years 1976-77 to and including 1979-80, five (5) appeals were forwarded by the commissioner to the board of review as established under section 43 of the act.

4. The following figures represent the number of appeals of cautionings and warnings forwarded to headquarters of the force for determination by the deputy commissioner (Administration) or the commissioner pursuant to administrative bulletin 290 of 75-05-23. No figures are available for 1976-77.

	1977/78		
Cautionings	6	Warnings	16
	1978/79		
Cautionings	4	Warnings	12
	1979/80		
Cautionings	3	Warnings	21

5. RCMP regulation 33 and force policy currently prohibits representation by professional counsel. Forthcoming amendments to the RCMP Act will provide statutorily, the right to representation by counsel.

EXPORT DEVELOPMENT CORPORATION LOANS

Question No. 2,481—**Mr. Greenaway:**

1. In each fiscal year 1978 to 1981, how many loans were made by the Export Development Corporation to foreign countries?

2. For the same period, by year, which countries received loans and (a) for what purpose (b) in what amount (c) at what rate of interest?

Hon. Ed Lumley (Minister of State (Trade)): In so far as the Export Development Corporation is concerned: 1. Export Development Corporation does not make loans to foreign countries as such but it lends to borrowers abroad to finance sales of goods and services sold by Canadian exporters. In the

years in question the numbers of loans and allocations under lines of credit to provide financing for such sales are as follows:

Year	No. of Loans
1978	27
1979	53
1980	94

2. (a) and (b) During the years in question for the loans made, purpose thereof and amounts, please refer to the corporation's annual report tabled in the House of Commons for 1978 on October 16, 1979; for 1979, on April 17, 1980; and for 1980, on March 26, 1981.

(c) As to the rates of interest charged on such loans, in view of the intense competition that prevails among countries in foreign trade, it is not in the public interest for the Export Development Corporation to discuss its participation in export transactions or proposed export transactions. Such information would assist an exporter's competitors both foreign and domestic. Since information on bids, participation or negotiations is given by companies to EDC in confidence, the corporation, to respect that confidence, refrains, until the sale arrangements are final, from discussing a deal or even from indicating that it has been approached in a transaction. EDC makes public its participation in direct lending transaction when the financing agreement therefor is signed, and, on request, in credits and foreign investment insurance cases where the exporter or investor consents to publication. If the exporter or investor has not given its consent the reply will so state. When EDC makes public its participation in direct lending transactions it does not, because of the intense competition above mentioned, publish the rates of interest it charges, for the reasons mentioned.

PORT FACILITY STORAGE SHED, GROS CACOUNA, QUE.

Question No. 2,488—**Mr. Crosby:**

1. On what date was the storage shed in the port facility at Gros Cacouna, Quebec completed and operational?

2. How many tons of cargo were handled at the facility (a) through the shed (b) over the adjacent open area in each year since the shed was operational and what was the tonnage for each commodity included in the cargo?

3. How many cargo ships docked at the facility during each year it was operational and what was the dead weight tonnage of the larger ships docked?

4. Does the government receive revenue from assessments of cargo handled at the facility and, if so, in what amount for each year?

5. What was the cost of constructing the (a) storage shed (b) quay wall related to the storage shed?

6. What is the estimated amount of revenue that must be generated annually to recover the capital and operating costs associated with the facility?

7. Will the facility be placed on a cost recovery basis and, if not, how will the capital and operating costs be recovered?

8. What amount was spent on access roads connecting the facility to the main public highway and will the cost of the roads be recovered through charges to the users of the facility?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The storage shed was completed on January 28, 1981. Transport Canada assumed operational responsibility from Public Works Canada on March 30, 1981.

2. (a) 4,540 tonnes of paper products since March 30, 1981.

(b) 21,988 cu.m. of wood products since March 30, 1981.

3. Seven vessels since March 30, 1981. Tonnage of largest vessel: 15,000 T.

4. Charges are assessed in accordance with regulations under the Government Harbours and Piers Act and the Canada Shipping Act. Revenues since March 30, 1981, total $14,855.59.

5. (a) $1,176,082.

(b) $6,639,597.

6. Full cost recovery over the useful life of the asset at a discount rate of 15 per cent would necessitate an annual revenue of about $187,900 for the shed (20-year life) and $999,600 for the wharf (40-year life).

7. Those project costs which can be ascribed as being for transportation purposes will be recovered.

8. The access road was built in 1965-66 at a cost of $461,141.00. User charges will contribute to recovery of the cost of the road.

NATIONAL HEALTH AND WELFARE—FIELD OFFICER, BROCKVILLE, ONT.

Question No. 2,504—**Mr. Cossitt:**

Does a representative of the Department of National Health and Welfare visit Brockville in the constituency of Leeds-Grenville approximately once a week to deal directly with persons who have old age pension problems and, if so (a) what is his/her name and what is a complete record of his/her career in the Public Service (b) is the government satisfied with the service being rendered to the public by the representative (c) does the government consider the representative is demonstrating sufficient compassion and concern to people with problems (d) did the representative receive training in public relations?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare):

(a) Mr. Kenneth Ziebell, a field officer of the Kingston district office of income security programs, National Health and Welfare, is in charge of the Brockville local office located at 35 Church Street, Room B-17. This office is open each Monday and Wednesday from 9:15 a.m. to 3:00 p.m. Mr. Ziebell has been a field officer with the Department of National Health and Welfare since September, 1967.

(b) Mr. Ziebell's performance has always been and continues to be fully satisfactory.

(c) Mr. Ziebell has always demonstrated concern and compassion in his dealings with the income security programs clientele and the general public.

(d) The officer concerned had special training in interviewing and counselling and has had extensive experience in public speaking both in the public and private sectors.

ALLEGED RAID ON HALIFAX OFFICES OF PUBLIC SERVICE ALLIANCE

Question No. 2,566—**Mr. Crosby:**

Did the Minister of National Defence authorize a raid by officers or men of the Canadian Armed Forces on the offices of the Public Service Alliance of Canada in Halifax on or about May 13, 1981, and, if so, what was the purpose of the raid and under what authority or direction was it conducted?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): No. On May 13, 1981, the military police under the authority of the base commander CFB Halifax conducted a search of a DND filing cabinet, on DND premises, a drawer of which was used to file Union of National Defence Employees' (UNDE) material. This search was conducted following allegations that Mr. Ryan, president of local 407 of UNDE, was improperly using information which he had obtained in the course of his duties as a clerk in central registry. The military police seized 46 documents which had been originated by management. Further investigation has resulted in Mr. Ryan being accused of improperly acquiring, and using a total of 26 management originated documents, three of which were classified as confidential.

PRIVY COUNCIL ESTIMATES

Question No. 2,607—**Mr. Lawrence:**

Is there a 44 per cent increase in the Privy Council estimates for professional and consulting services for next year as compared to the estimates for this year and, if so, what is the explanation for the increase?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The following explanation applies to the 1981-82 (current) estimates to which it is assumed the question refers since the estimates for "next year" (1982-83) have not yet been tabled: Main estimates as tabled in the House of Commons for 1980-81 provided for a total of $2,169,000 for professional and consulting services. Main estimates for 1981-82 provided for an amount of $2,683,000 in this expenditure object or an increase of 23 per cent. Approximately half of this increase, an amount of $231,000, is attributable to price increases required to maintain the same level of services in the current year from the previous year. The remainder represents increased funding to cover new requirements for internal audit and management consultant services, a new classification plan for governor in council appointees and miscellaneous studies related to the work of the Privy Council Office and Federal-Provincial Relations Office.

Order Paper Questions

PRIVY COUNCIL OFFICE—EMPLOYEES INVOLVED IN SECURITY AND INTELLIGENCE

Question No. 2,609—**Mr. Lawrence:**

What is the number and what are the names of the employees of the Privy Council Office whose functions include security and intelligence matters?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): There are 24 employees of the Privy Council Office whose functions include at least in part security and intelligence matters. By name they are:

Officers

Mr. P. M. Pitfield, Clerk of the Privy Council and Secretary to the Cabinet

Mr. G. S. Smith, Associate Secretary to the Cabinet

Mr. T. D. Finn, Assistant Secretary to the Cabinet—Security and Intelligence

Mr. G. H. Craven

Mr. G. F. Frazer

Mr. J. T. Gannon

Mr. J. R. Godfrey

Major W. J. Hackett (secondment from DND)

Mr. Arthur Katona (secondment from EA)

Major P. A. Lemieux

Col. J. C. Upton (secondment from DND)

Mr. Peter C. Cameron

Mr. Alisdair MacLaren

Mr. John Graham

Insp. Ernie Boyd (secondment from RCMP)

All secondments are charged against the PCO budget and person-year allocation.

Support

Louise Lascelles-Bigras

Lesley Hilyer

Thérèse M. W. Hobart

Muriel Kauffeldt

Diana Larkin

Constance Merle McCann

Lillian Mulligan-Roy

Linda Farevaag

Michel Leroux

Adult Occupational Training Act, No. 2

EMPLOYMENT AND IMMIGRATION—CONTRACT TO CONTEMPORARY RESEARCH CENTRE

Question No. 2,615—**Mr. Stewart:**

Did the Department of Employment and Immigration award a $34,000 contract to Contemporary Research Centre, Ottawa, and, if so (a) what are the names of the principals of the centre (b) what services were provided?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract to Contemporary Research Centre, on behalf of the Department of Employment and Immigration, for an amount of $34,000.

(a) Mr. E. Lacy, president.

Mrs. S. Mahta, manager, Ottawa branch.

(b) The services provided were for a post evaluation of an advertising program conducted in support of a program entitled "Non-Traditional Job Training for Women".

ENERGY, MINES AND RESOURCES—CONTRACT TO McCONNELL ADVERTISING CO. LTD.

Question No. 2,617—**Mr. Stewart:**

Did the Department of Energy, Mines and Resources contract with McConnell Advertising Co. Ltd. for $295,625 for advertising services and, if so, what services were performed?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract, on behalf of the Department of Energy, Mines and Resources, to McConnell Advertising Co. Ltd. for the amount of $295,625. The contract was for the provision of creative advertising services in support of the Canadian Home Insulation and the Canadian Oil Substitution programs.

[*English*]

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADULT OCCUPATIONAL TRAINING ACT (NO. 2)

MEASURE TO AMEND

The House resumed, from Monday, July 6, consideration of the motion of Mr. Axworthy that Bill C-67, to amend the Adult Occupational Training Act (No. 2), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Jack Shields (Athabasca): Madam Speaker, once again I should like to reiterate what I was saying last night when the House adjourned. I think the minister and his departmental officials are to be complimented for bringing forward Bill C-67.

As I said last night, under the present legislation there is little incentive for an individual to enter an apprenticeship or training program in the adult area because, as things presently stand, people who are unemployed can go on unemployment insurance and remain on it and they have absolutely no incentive to go for retraining or training.

I have a couple of suggestions for the minister regarding the legislation. Hopefully he will be able to incorporate them in the legislation. It provides an extra $25 per week above the unemployment insurance figure which an individual would draw if he goes into adult occupational training. I find this provision to be particularly good because some incentive is offered to an individual to go into training.

One area amended by the bill which I feel is good but does not go quite far enough is that extra benefits will be given to those people entering employment training in certain skilled areas or trades. Currently these are targeted at tool and die makers, welders and boilermakers, these very specialized areas designated by the governor in council. Somehow a mechanism must be put in place in the various regions of our large country for an advisory committee appointed by the Department of Manpower and Immigration to evaluate at a very local level the kinds of occupational training which are essential for an area.

Nowhere do we see in the legislation as a skilled area the requirements of the hotel service industry or the food service industry. Yet these industries in certain localities within our great country are hard-pressed to find trained employees. Employees working in the hotel and food service industries need intense training, perhaps not for as lengthy a period but certainly as intense as the training of a tool and die maker.

The legislation itself is narrowing down too quickly and zeroing in on only those areas where in the past shortages have occurred to such an extent that employers have gone to the Department of Employment and Immigration and requested permission to seek workers elsewhere in other countries and bring them in as landed immigrants.

I am particularly pleased that the legislation will lift the one-year ceiling on government assistance to trainees. We all know that many programs go beyond one year; some last two years and some even three. Also I am pleased that the legislation will abolish the requirement that trainees must be out of school for at least a year. The current legislation is very discriminatory. It really causes a great deal of hardship for young people who are not functioning academically in the school system and want to enter training programs. The only training programs being offered are those supported by manpower assistance. Manpower arranges the training place in junior colleges and technical schools. These young people have actually been denied admittance into the schools. This is being addressed in the legislation; again the minister should be complimented. Previously if a course was not offered in Canada and students had to go outside the country for train-

ing, the government offered no support. Now it has recognized this need and included it in the bill.

The government is primarily amending this piece of legislation so that the department of manpower will be able to sign contracts. They then propose to sign training contracts, but they aim primarily at unions with the thinking, of course, being that unions are in a position to know their manpower requirements. If unions do the training, then those unions in the specialized trades in particular will be more prone to accept a trainee into its ranks and, therefore, offer employment.

• (1510)

One area which I think is not being addressed clearly enough is the employment of native people. If one goes to certain bands, particularly the ones I am familiar with in northeastern Alberta, one will find that the need and requirements of the band may be something very nebulous. An official sitting in Ottawa might not consider that training programs are needed. I direct the attention of the House to basic life skills training programs. Many of the enlightened bands in northeastern Alberta have attempted to train their men and women in basic life skills.

These programs cover a myriad of topics which we in urban society take for granted and expect everyone to understand. I am talking about banking, immunization programs, public health programs for children which we take for granted, and basic housekeeping. After years of living in shacks without running water admittance is suddenly gained to more modern housing. It takes skills to go into these homes and run them in a way which we all take for granted since we were raised in those kinds of homes. I am afraid the minister is missing something here by not putting into place legislation to sign contracts with the unions for training programs and contracts with various bands throughout the country on the basis of a suitable training program to develop the skills necessary to survive in our Canadian communities. I would like to see the minister add a clause to this legislation which would clearly indicate the intention of this government, through the Department of Manpower, to address this very serious problem.

Another aspect of the legislation which is before us that I thought was particularly good is that dealing with the negotiation of fixed rate training allowances with employers. There was no such provision in the old legislation. In other words, you can negotiate fixed rate training allowances with employers.

Although the legislation is long overdue, and although it is good, I must point out to the minister the sense of futility which is felt not only by the people in the Department of Manpower but by members on this side of the House in respect to there being no forecasting facility to pinpoint areas which need employment incentives in skilled labour training.

I would like to expand on this point. Legislation is brought in to deal with the retraining and training of people for employment opportunities which are developing in the country. Later on another minister will introduce legislation, for example the National Energy Program, which will destroy an industry to the point where the people who hold skilled jobs move to another country. I am talking about the drilling industry. It takes two to three years to train good drillers, good floor men and good derrick men in the drilling industry. But what will happen when the government finally comes to its senses and enters into an energy agreement with the producing provinces? All the skilled labour will have left the industry, along with the rigs. Each rig employs 20 to 30 people and each is like a small factory.

I would like to point out, Mr. Speaker, that one megaproject in northeastern Alberta, and I am referring to the Alsands plant in Fort McMurray and the Cold Lake plant, causes a secondary spin-off into the Ontario economy which will affect training programs geared for Ontario. Can you see the inconsistencies, Mr. Speaker? On the one hand is a minister who brings forward what I consider to be long overdue and good legislation, while on the other we have a minister who brings in legislation which counteracts the first.

One $10 billion plant in northeastern Alberta will create $800 million in business for Ontario's iron and steel industry. What will happen when the iron and steel industry slows down, as it is doing today? Trained employees will be lost. When the plant starts up again it will have to fill the positions which have been vacated in order to meet the capacity and requirements of the megaprojects. Training will have to be targeted in these areas. This cannot be done in a vacuum, nor can it be done under the present legislation without there being a co-ordination of legislation.

Bill C-67 does not complement what is happening as a result of the National Energy Program. That same $10 billion plant will create $370 million in business opportunities for Ontario's metal working industry. As a matter of fact, one should double these figures since there are two plants which have investors waiting to spend money to the tune of $20 billion to $22 billion. It has been forecast that there will be five or six plants like these developing in northeastern Alberta.

That same plant will create $325 million for the Ontario transportation industry. Today the transportation industry is sagging. It is losing its trained employees who are moving to other parts of Canada where they feel they can find a job. Some of these people are taking retraining. Imagine trained men in the industries in Ontario and Quebec leaving their jobs and taking retraining because the market has sagged. Legislation is now brought forward which would enable these men to be retrained for another job.

Once an energy agreement is reached with the producing provinces, the activity in central Canada will increase and then we must retrain other people to fill the jobs which have been vacated. This concept staggers the imagination. There is no apparent co-ordination between government departments, at least co-ordinating the legislation, so that we are not duplicating or wasting our resources, which in the main is our manpower.

• (1520)

One plant creates $740 million for other manufacturers and processors in Ontario. That is a secondary spin-off. It creates $370 million for Ontario financial enterprises and $750 million for the Ontario trade and service sector. Those are the kinds of matters we have to address. It is just too bad that there is no co-ordination. This means $1.8 billion in extra Ontario household income which, in turn, generates again.

As I said, the legislation before us is good. I am sorry it does not go further. I am sorry that the government does not seem to be co-ordinating and trying to bind together the legislation so that there is a complete understanding. I do not know what ministers do at these cabinet meetings, if they do not talk about the legislation they are bringing forward. This is good legislation. It is legislation which is long overdue. However, it is being completely undermined by legislation which we are receiving from the Minister of Energy, Mines and Resources (Mr. Lalonde).

It would appear to me that an industrial strategy for Canada must be put in place once and for all, and very quickly. We have been hearing about this industrial strategy for a long time. But how can one department, manpower and immigration, operate in isolation when we do not have an industrial strategy? There is coal development; there is oil development; there are resource developments; there are manufacturing developments. All these developments will take place, not because of the present government, but in spite of the present government. It has to happen. But there must be some co-ordination or we destroy the effects of Bill C-67.

We are setting up manpower and immigration as a reactionary department. In other words, it will react to the alarm bell. The department will react like firemen. There will be a sudden employment crisis or lack of skills in one area, and the department will rush to try to overcome this. Then another one will pop up and it will rush to try and assist in that area. But what it needs is a common industrial strategy so that it can focus all the way through.

I would like to suggest to the minister one way this can happen. If he cannot get co-operative legislation from other parts of the House, what he should be doing is setting up very distinct regional advisory groups, small ones, two, three, or four in each province, which will come together with their recommendations to the minister at least every four months. Since the minister is not getting co-operation now, there is no reason to think that he is going to get it in legislation from other departments. Therefore, he must try and do it himself. The only way he can do this is to try to get forecasts from individuals living in various areas, because they know what is happening and what will be required. That is my major concern, and it is one suggestion I would like to make.

There is a lack of co-ordination in legislation, on the whole. This is a good piece of legislation. I would like to see it passed. I would personally like to see third reading given practically immediately so that the minister and his department can get out there and address the needs which are there. I remember I did suggest that he could amend a few areas, particularly as they relate to native communities. He should address the energy sector because there is the potential for a real emergency situation coming, because skilled employees are moving south of the border with their rigs. At last count, there were 185. Another 150 rigs will have moved by fall. Skilled workers are going with them, which means we are not going to entice them back. When an energy agreement is reached, they are not coming back because they have signed contracts, some for two years and some for three years.

We will have to retrain in that energy sector again in the western basin, covering the prairie provinces and Alberta. We will have to retrain, so the minister should be targeting in on that. There is a real potential for jobs there; but as I said before, they are being discouraged by the National Energy Program. However, the national energy policy will be changed, I am confident.

Those are the remarks I have. I do hope that I have been able to contribute in a very positive way to this debate. I know the minister is not in the House. I do know, however, that the minister will have his assistant, and so on, reading the remarks which are made when he is not here. I hope that that assistant will take my remarks and put them in front of the minister, because I think they are positive suggestions, and I feel very strongly about them.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, this bill deals with one of the most important questions this country will have to deal with in the eighties, and that is: How do we ensure that our Canadian population, all Canadians, will be trained to do the many complex jobs that will be opening during the eighties and the nineties as a result of the new technologies of energy developments and so on?

As hon. members know, during the past year I had the pleasure and the honour of chairing the parliamentary Task Force on Employment Opportunities for the '80s which heard hundreds of Canadians on that subject. We heard people from all parts of the country, from Victoria to Newfoundland, and from Windsor to the Northwest Territories. I must say that, in general, the recommendations of those many witnesses have been taken up, to a certain extent, in this bill. This bill does go in the direction that Canadians want to go, but it does not go far enough and it does not cover a wide enough area of reform.

In his remarks last night, the minister said that the goals of this bill, first of all, were to simplify the administration for occupational training in this country by removing much of the paperwork, the red tape and so on. That is an excellent goal and I think would have great support in the country.

The second goal is to make the adult education training programs more flexible. That was a theme we heard over and over again. Very many individuals and groups appearing before our task force complained bitterly about rigidity and inflexibility in the adult education training programs and the manpower retraining programs. That criticism came most often from those parts of the country where unemployment was highest, from the Atlantic region, the Gaspé, the more

remote parts of Quebec, northern Ontario and the northern parts of the prairie provinces. They said that many of these programs for retraining and upgrading were probably based on data which came out of the great population areas of the country, such as the Golden Horseshoe around Toronto, the lower mainland of British Columbia and the Greater Montreal area.

I think that is true to a great extent. Our economic analysts who sit here in Ottawa and carry on their research, for the most part carry out what is called macroeconomic analysis. That macroeconomic analysis deals with the total population figure and national trends, and ends up with solutions which might deal with those national trends; but they do not help very much in many of the slow growth areas of the country. In these slow growth areas of the country the people ask for more flexibility so that the retraining and upgrading programs of the government will suit their needs, be it in northeastern New Brunswick, Cape Breton, the west coast of Newfoundland or northern Manitoba. If the bill achieves that, Mr. Speaker, it will certainly be a step forward.

• (1530)

The minister also said that one of the main objectives of the bill was to deal with the effects of industrial dislocation; that is, where large industries are put out of business or are forced to reduce their manpower needs due to world conditions, such as is the case at present in the automobile industry in south-eastern Ontario. When that happens there is a great need to retrain workers who are laid off for new jobs opening up in communities near them or in other parts of the country where great developments are taking place.

I applaud the three goals of the bill, Mr. Speaker. With respect to the specific provisions, the minister said that one of the greatest needs in this country is for more on-the-job training. At the committee hearings we found that less than 20 per cent of Canadian manufacturing industries provided on-the-job training. That is a deplorable figure compared with France, West Germany, Holland and other countries of western Europe where 80 per cent to 85 per cent of manufacturing companies provide on-the-job training. Industries and employers there look upon on-the-job training as an investment in the future, while many Canadian companies look upon it as a cost, not an investment. Consequently, we have a very poor record.

One reason that we have such a poor record is that immigrants were easily available to Canadian companies over the last half century. Whenever trained tool and die makers, welders or machinists were needed, it was easy to take a recruiting team to Europe and pick them up in England, Holland, Germany, Belgium or wherever, rather than spend the money to train native Canadians who, by the way, have remained unemployed because they did not have that chance to be trained. Whether the "carrot" measures, as I will call them, contained in this bill and in present government programs are sufficient to get Canadian companies to provide more training, I do not know. Perhaps we will need "sticks" in addition to the carrots, and our task force will make some recommendations in that respect.

It was agreed by employers and employees, students and educators that the best type of training they had seen in this country was what we call co-operative education based on the University of Sherbrooke or the University of Waterloo model. This is where the student spends approximately four months in the educational institute and then four months on the job. He alternates back and forth throughout the entire educational process and then when he has obtained his degree or certificate or diploma, he has logged a lot of hours of practical training to go with the academic training. An employer is usually willing to hire him right away. He is not faced with the common answer, "I am sorry, I would like to hire you but you have no experience and I need someone with experience". The co-operative educational model of institutional training combined with on-the-job training will deal with that problem.

There are certain measures in the bill which are laudable and which members of the committee support, although we think the minister could go further. It is, of course, necessary to provide training programs beyond the 52 weeks. Time and again witnesses told our task force that it is impossible to train people for certain skill trades in 52 weeks. The ordinary apprenticeship program in this country is for four years. I think that is too long and in Europe it is two to three years. It is unreasonable to expect to train a man to become skilled in 52 weeks and the measure to extend training beyond 52 weeks is long overdue.

Second, under the present federal legislation a young person had to wait for one year after getting out of high school before he could be financed for an industrial training program. That restriction was harmful to many young people. Many got into trouble or went off and did something else because they had to wait one year, and never returned for skills training. This amendment, which will allow them to go into industrial training even though they have not been out of school for one year, is a good amendment.

Finally, the amendment that will provide for training contracts with other than provincial governments and employers is also good. Provincial governments, through their educational systems and employers, are not the only bodies, that have good training programs. Unions have good training programs and there are non-profit voluntary groups with good training programs. Private schools also have good training programs. We found that some of the best secretarial schools in the country are private schools and some of the best schools for electronic and computer education are private schools. The amendment will allow the minister to conclude training contracts with the unions, with non-profit voluntary groups and with the private schools, associations and groups that provide industrial training or want to provide it.

The other important amendment provides for increased payments for companies that provide the training. Existing industrial training allowances are much too low and give no encouragement to people to come off unemployment insurance or welfare and seek training. If we want a skilled labour force,

we must finance people through their training period. I do not think the measure goes far enough but it is certainly an improvement.

I have said that what is in the bill is laudable, but if we are to deal with this massive problem of skilled-trade shortages in the country and the mismatch in the Canadian economy where high levels of unemployment exist side by side with serious shortages in skilled trades, then much more will have to be done.

When the minister appeared before the committee I asked him whether the bill was the last word and he said that it was not. He said he felt he had to get it through this month or before the summer recess in order to be able to deal with some immediate problems, but that he certainly intended to bring in much wider-ranging amendments to the Adult Occupational Training Act next fall or winter after he had received the report of the task force or the report of the Dodge committee which he tabled in the House today.

I want to mention a few of the other things that have to be dealt with if we are to cope with unemployment and skill shortages in this country. We need a better defined industrial strategy. Representatives for many companies told us that they would be glad to provide more money for on-the-job or industrial training if they knew what the government's approach to their industry was going to be. Spokesmen for the shipbuilding industry told us that if they knew the government's long-range plan for their industry, they would invest much more money in training young people. The same was said by people in the mining industry and other industries. They told us that they had to know the government's industrial strategy before they would invest in very expensive training programs. I urge the government to come forward with a comprehensive industrial strategy program so that we can get on with the training that is needed in this country.

Anyone who is going to build a new factory or establish a new industry cannot expect the skilled labour to appear immediately. It takes from four to seven years to train a skilled workman or skilled professional. It takes at least seven years to train an engineer and for a highly qualified welder, tool and die maker or machinist it takes four years. If we want something to be done for Canadian industry within four years, we should start providing the training today. An industrial strategy is very important.

Another thing that is extremely important and which is not dealt with in the bill is the high rate of functional illiteracy in this country. At the hearings we found out that almost 30 per cent of Canadians are functionally illiterate. That means that they are not even ready or qualified to take the training and upgrading programs provided by the government. Before they would be ready to take those programs, they would have to be trained in basic reading, writing and arithmetic. They have to learn how to read plans, how to communicate, and how to compute before they would be able to take these programs. How can you train a man to be an electrician if he does not have these basic literacy skills? I think it is shocking for a country like Canada to have almost 30 per cent of the population functionally illiterate. People who are functionally illiterate are traditionally the ones who are unemployed. This status unfortunately follows generation after generation. However, we will be dealing with that point in our report.

• (1540)

Even if a lot of money were put into training, if training facilities were expanded and companies were willing to do much more on-the-job training, people will not take that training if the support systems are not there for them. While people are being trained they need at least a living allowance to support themselves and their families. If their homes are at a distance from the training facility, people need the transportation costs to get to the facility. If parents of children are in training, they need a place to leave their children during the day. All of these things cost money. Too many Canadians, and perhaps some government officials, look on those expenditures as transfer payments of one kind or another. But they are not transfer payments; they are really an investment in the future of this country. If we do not get these chronically unemployed and functionally illiterate people trained, the whole industrial output of Canada will be affected.

We heard from many companies that they were unable to expand—this is especially true in the west—and had to turn down orders from abroad because the skilled labour force was not available in the areas where they were set up. If we want to get these people permanently off the welfare and unemployment rolls, we have to be willing to put money into the support systems and into the training necessary for them to become productive Canadians.

There is also the problem of the mobility program, which is not dealt with in the bill but must be dealt with. There is the whole problem of flexible work schedules, part-time work, shared work and flexible retirement.

Finally, if we fill those skilled labour shortages, we have to make sure that the many special groups such as women's groups, native groups and the handicapped have a chance to be trained to do any kind of job in this country, whether it is skilled blue-collar work or professional work. Not only does justice demand it, but economic necessity will require it. If we do not train these women, the native and the handicapped for those jobs, we will not have enough trained people to do what this country demands.

Before closing I want to mention that all of these things could be done better. We need a better forecasting and planning system. We need better federal-provincial co-operation, which I do not think we have now. It is not altogether bad, but it needs great improvement.

I mentioned at the beginning that we are entering the 1980s and 1990s which will be a period of technological change even more rapid than the technological changes we saw in the 1960s and 1970s. If we are to have a more rapidly changing technological age, it means that a man or a woman who is trained at 20 will have to be retrained again at 35, again at 45 and perhaps retrained again at 55.

In other words, we will need an educational and training system which will be an ongoing one where people will be able to enter and leave the educational and training system throughout their lifetimes. It will no longer be the style for a child to stay at home from birth to six years of age, attend school from the age of six to the age of 20 and work from the age of 20 to the age of 65, and after that go home and wait to die. Instead we will have a life and a society where we will continually be in and out of the educational and training system, in and out of the workplace, at leisure, at home, taking a sabbatical or whatever. If we are going to meet the industrial and commercial challenges of the 1980s and 1990s and keep Canada a major industrial and commercial nation, we will definitely need much better training, retraining and upgrading systems. This bill goes in the right direction, but we need more.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to speak to Bill C-67, which is a bill to amend the Adult Occupational Training Act. I am pleased because the contents of this bill and the subject of the main act are something which vitally affect all parts of Canda, from Newfoundland to central Canada, on to the Prairies and right through to Vancouver Island. I am speaking of the lack of skilled workers that we have in Canada, and have had for a number of years.

As previous speakers have pointed out, the whole aspect of our society in the 1980s will be changing. We are now into the technological society with more manufacturing, more mega-projects needing more skilled and trained workers. This need will continually increase as we enter the 1990s.

The present system of training skilled workers has been inadequate for the last 10, 15 or 20 years. That is because we have placed too much emphasis and money, not only at the federal and provincial level but also at the municipal level, on the wrong kind of education at the wrong time.

In my opinion, this problem started just after the Second World War. The government in its wisdom allowed every veteran to attend university or other higher learning institutions, and for those who did, their way was paid. That was a very good thing because at that time the country needed people with higher education. In the 1950s, and perhaps even in the 1960s, a university degree was a passport to a job; any kind of a university degree. Admittedly, in the 1940s and the 1950s one could not get a university degree listening to birds or watching flowers or things of that nature. Nevertheless, in order to get employment, people looked to the universities and the universities became pre-employment schools. In a sense they lost a lot of their research capacity perhaps to impart some knowledge and wisdom.

As a result we continued to rely too long on that particular aspect of our training program. This has resulted over the past few years in too many university trained people who we now find are underemployed. We find them doing all sorts of things, even driving taxis. I have nothing against taxi drivers, it is a very honourable profession. I understand that one of the members opposite who recently went to the other place used to drive taxis. Some taxi drivers make a lot of money, sometimes more money than members of this House. I understand also that during the recess some members opposite will be driving taxis to supplement their income. I have nothing against taxi drivers, but I have a lot against trained university people being underemployed.

We used to say that it cost about $8,000 of public purse money, other than tuition fees, to train a person at university. I do not know how much that figure has gone up, but I dare say it has doubled. It probably costs now $12,000 or $16,000 a year.

This year the Minister of Employment and Immigration (Mr. Axworthy) has predicted that there will be 15,000 unemployable university graduates, or a 10 per cent surplus. We cannot afford that kind of misdirection of public funds. The public will not put up with it much longer.

• (1550)

What has been the history of our source of skilled workers? Previous speakers have pointed out how we have relied almost completely on foreign countries to supply our skilled workers. That was a good thing in the past. Earlier in our history we had neither the capacity nor the knowledge to train the kind of skilled people which this country needed.

After the depression and the last war, we were fortunate to have these people come to our land to help develop the frontier, build our cities, our bridges and provide the high standard of living which we have enjoyed and are enjoying. These people from foreign lands have added to the diversification of our society and have enriched it greatly. I am pleased that these skilled workers came to our country.

We are still doing this. For example, 15 per cent of the registered nurses employed in British Columbia are from outside Canada. A recent survey by the Winnipeg Chamber of Commerce showed that some 30 per cent of the skilled workers in that city are from outside Canada. In a report to the committee on employment by the principal of the Pacific Vocational Institute of British Columbia, the largest vocational institute in that province, he quoted figures which are very significant. I would like to read them to the House. He talked about percentages of the Canadian work force. Skilled workers born and trained in Canada amounted to 27 per cent and those born and trained outside Canada amounted to 73 per cent. Almost three-quarters of our skilled workers have been trained outside Canada. What have our federal and provincial governments been doing since World War II?

I wish to place another significant figure on record. Skilled workers in the labour force today who are over 40 years old account for 87 per cent of our work force. Surely that underlines the need for a vast, vital and energetic program to obtain more skilled workers.

The next figure should frighten hon. members most of all. As a percentage of the Canadian work force, presently registered apprentices account for .6 per cent. If that does not indicate the need for drastic action, I do not know what does.

It is just not good enough in the eighties to rely on foreign countries to supply our skilled worker needs. I say this for two reasons. First, foreign skilled workers are no longer available. It is very difficult for a company in this country to obtain an adequate supply of skilled workers, even by going outside the country and offering very high wages. The economies of Europe, Japan and elsewhere are booming and they need their skilled workers. Second, it is no longer socially acceptable.

The government has estimated that we will need 500,000 immigrant skilled workers in the eighties. When that figure was released, my desk was filled with letters from constituents, mothers and fathers of children who have completed grade 12 and cannot get into a trade school or find employment. These people are up in arms, and I do not blame them. If we cannot train our young people to take the jobs that are available, something is badly lacking. Somebody is to blame. Someone is not doing his job.

One wonders about this tremendous need for skilled workers. Previous speakers have underlined this. Before the national energy policy was announced, it had been estimated that something in the area of $1.5 trillion would be spent on energy and the energy-related field in the eighties. I cannot imagine what $1.5 trillion is other than that it is $1,500 billion. In any event, that is a huge amount to be spent on oil, gas, coal and hydro projects.

The potential is staggering. The hon. member for Athabasca (Mr. Shields) gave some of the figures with regard to the spin-off effects. It is in those fields that we need more highly qualified and skilled people.

The government's National Energy Program should not be called the NEP but the NED, "national energy disaster". That policy is so bad it makes one wonder whether it is a deliberate attempt by the Liberals to solve the problem of a shortage of skilled workers. What better way to solve the embarrassing problem of a skilled worker shortage? The NEP is doing that by depressing industry.

Statistics have been quoted about the effects of the NEP. I wish to place on record some statistics with regard to employment. There have been 154 drilling rigs and 84 service rigs leave Canada. By midsummer the total will reach 200. Of the remaining 400, 200 will be idle. According to my calculations, 20,000 jobs will have been lost. That is certainly one way of solving the shortage of skilled workers. However, it will not be acceptable to Canadians, particularly those in the west.

Even without the megaprojects, the employers council in British Columbia, in calculating the needs in that province for the next 20 years by surveying 46 major firms, calculated that 1,338 tradesmen will be required. There are only 577 apprentices in training.

I wish to quote some of the figures which are relevant and extremely interesting. In the years 1980-81-82, 82 diesel mechanics will be required in British Columbia. Only 16 are presently in training. There will be a requirement for 556 heavy duty mechanics, but only 174 are in training. Fifty-eight electronics technicians will be required and only three are in training. Surely those figures indicate how short Canada is of skilled workers. At the same time we have an unemployment rate of 7 per cent, 8 per cent or 9 per cent. These people are unable to find jobs.

We have failed badly to solve what should be a basic right in our society. We can fault the unions, the employers, industry and certainly the government. However, often the technical schools have produced the wrong product. For example, they have produced electricians when electricians were not needed. In other words, they were unable to keep up with the requirements of industry. This will probably be even more true in the future when requirements change more radically.

● (1600)

Unions, too, often are at fault for demanding full wages for those people who are under training. Certainly the employer bears a large responsibility for failure to train and to provide training programs for the industry in which they are involved. Most of all, probably governments are at fault, both provincial and federal. They foul up the whole process with bureaucratic red tape.

Let me give one example. In my own constituency we have complaints about the Unemployment Insurance Commission sending people to technical schools to take up the seats they have there in order that they can continue to get their unemployment insurance. They must do this in order to continue to get their benefits. Many times the people who are sent there are not the least interested in training in the jobs they have. They are merely taking up valuable seats which are in short supply in these technical schools, thus preventing people who are interested in getting an education from becoming skilled and getting out into the work force. Certaining the complexity of the problem is immense, and I think I would be the first to admit that.

I have quoted from this study before but it contains some interesting figures. It shows just how wrong governments have been in the past in the kind of approaches they have taken. Companies were asked in 1980: "Has your company an on-the-job training program?", and 71 per cent said they had. The companies were asked: "Has your company ever been in a position of not having sufficient or trained skilled workers?" and 76 per cent said, yes, that was true. They were also asked: "Do you believe your company or your particular industry could benefit from an on-the-job training program?", and this figure is most significant because it confirms what the chairman of the committee who just spoke before me said; 73 per cent said that on-the-job training was the best.

Here is another significant question: "Do you feel the education available from educational institutions could properly train employees in your business?"; 61 per cent answered no. They felt existing educational technical institutions were not capable of training the kind of people they wanted. That says a great deal for the lack of direction and the inability of our existing institutions to move with the times.

I have no objection to Bill C-67. It is a good bill and I think we should pass it. I do not treat it with the same enthusiasm as

my seatmate did, the hon. member for Athabasca. I think it is a band-aid approach that is typical of this government. We have a very large problem, but I suppose when your leg is cut off and you are hemorrhaging it is better to have a band-aid than nothing at all.

I feel sorry for the chairman of the Committee on Employment Opportunities for the '80s who spoke ahead of me. Why is the government not paying attention to that committee? Why is the government not waiting until that committee reports? Why is the government not making a comprehensive plan to solve what obviously is one of the worst problems we have to face presently and in the future?

I think those are the kinds of questions that should be answered by the government. It is not good enough for the minister to say: Fine, we will deal with those problems later when the committee reports. He seems to be ignoring the committee and already downgrading what it is going to say by that process of bringing in this bill which deals only with part of the problem. There are obvious areas that have to be looked to and I do not understand why the government has not moved in those areas.

First of all, there should be better reporting and forecasting on both the supply and the demand side. Certainly the federal government is in a position, with its multitude of bureaucrats, its computers and all the other aids it has, to be able to forecast accurately what the supply is and is intended to be, and what the needs are in various parts of the country, so that we can feed this information to the various technical schools and they can gear up and be able to train and provide skilled workers at a time when those skilled workers are required.

What about the target groups that were mentioned earlier, the women and native people? Surely that is where we are going to get most of the additional skilled workers in our labour force. That is where the supply is and certainly the government should be able to move on that. This is nothing new. I have only been in this House for a short time but we have been talking about that since I came here. Does it take 18 months for the government to lay out a simple or a complex plan in order to involve these people, the women and natives who are very anxious to get into the work force and make a positive contribution to this country? I think not, if the government was at all interested, and I suggest it is not.

Finally, I think this government should remember that education and training is a provincial jurisdiction. The government would be very unwise to proceed with some of the powers it has under this legislation without the full and complete co-operation of provincial governments. Certainly provincial governments met recently and complained, as previous speakers have said, that there has not been enough consultation and co-operation between the various authorities, and too often the standards the federal government imposes on these training programs are in addition to and often in conflict with those placed by provincial governments.

As the previous speaker said, and I certainly agree with him, there has to be more company-employer involvement. He said 20 per cent of our skilled people are trained by industry as opposed to some 80 per cent in Europe. That is something we can no longer tolerate in this country. Industry will have to solve this problem. If it does not solve it, governments will have to help solve it, either with a carrot or a stick. One of the things I am sure industry fears, being involved in these programs, is the lack of confidentiality. Certainly no company is going to tell their competition what they expect in terms of required employees for the next five or ten years unless they can be assured that this is confidential information.

Those are a few of the things I wanted to speak to in reference to the bill. Again I say I will certainly support it but I express the hope that this government will treat this only as a very interim measure and get on with the problem of finding skilled people to fill the very many opportunities this country will present in the 1980s.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, tomorrow will mark the seventh anniversary of my entry into this House.

Some hon. Members: Hear, hear!

Mrs. Appolloni: For much of that time I have been looking forward to speaking in this House on this very subject that we are dealing with today, because it is a subject which has very high priority, if not the highest priority in my own riding; that is, adult occupational training.

Last night the minister was good enough to refer to me in his speech. He said I was not too happy with one of the references in the bill, perhaps even more. I do very much welcome this bill; I think it is a step in the right direction. I am even more pleased to note that the minister recognizes it is only one step, because in order to get to a solution to the problem facing Canada today, particularly the problem of unskilled workers, the road is going to be very long indeed, and many steps will have to be taken.

My initial query about this bill can be found even in the title, or more particularly in the definition. The bill now defines an adult as a person whose age is at least one year greater than the regular school-leaving age in the province in which he resides. I shall refer only to the province with which I am most familiar, Ontario, where the school leaving age is 16. Therefore, according to this amending bill, a young adult would have to wait until he is 17 before taking advantage of occupational training. That is my main concern about this legislation.

• (1610)

Why do I stop at the age of 16? Mr. Speaker, a couple of months ago I was fortunate enough, with the tremendous co-operation of the Department of Employment and Immigration and my own local board of education, to initiate a program called the High School Dropout program, which I believe is the first of its kind of Canada. I did this because, like the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), I was personally extremely disturbed about what seems to be an increasing number of functionally illiter-

ate people begging for jobs. Perhaps not just jobs, but jobs which would pay enough to keep them and their families. Frankly, Mr. Speaker, I looked at them and I could not blame the employers for not paying the wages they needed because they did not really merit them. They had nothing to offer the employer, and it was a tragedy.

Looking back over their past histories I realized that more of them in this category had left high school. So we started this high school dropout program in York South-Weston. In essence it is a very simple program. The beauty of it is that it hardly costs anything. What it does involve, though, is very special counselling, and this perhaps is a point which has not been stressed enough in the debate I have heard so far. It is one thing to train people, but before you do that I think the counselling has to be perfect. We can no longer afford to put square pegs in round holes. It has happened too often in the past. Only the counsellor can help find the trainees' real aptitude, so counselling must be absolutely excellent. There are many excellent counsellors in the department, but unfortunately they do not get the recognition they deserve.

The second thing I think we have to be careful of is the attitude of the trainees themselves. I am sure every member of this House has heard complaints from their corporate constituents to the effect: I do not want to hire any more of these people, they do not stay. Perhaps there is a little justification in that complaint.

However, what do you find on the other side of the coin, Mr. Speaker? Well, as an example, we had a youngster in my riding, aged 18, I think, who had been accepted for an on-the-job training program through the Department of Employment and Immigration. His desire was to be a carpenter and his aptitude tests showed he would make an ideal carpenter. He had a tremendous artistic streak in him, too. He would have made an excellent carpenter. So the government helped him with on-the-job training as a carpenter. What happened to him? The first day on the job he was given a finished table leg and told to screw it on the top of a finished table. That was his job on the first day, the second day and the third day. By the end of that week he could not stand it any more and quit.

Now, luckily we were able to help him there, too, because another project in my riding is called the York Home Repair Service, which I started. What do we do? We have three unemployed but skilled workers who teach their skills to six unemployed and unskilled workers, skills such as carpentry, painting, home decorating and minimum repair services. Once they have learned those skills they go out into the community, to senior citizens and low income workers, and they repair their homes free of charge. The home owner has to bear only the cost of materials. The experience these young people gain is terrific. So the youngster who was attaching finished legs to finished tables now makes his own tables and chairs. He can make doors and put them up. We have to give the youngsters this kind of incentive and train them properly.

As to the quality of training, the bill makes reference to this in clause 6(3) where it says there will be consultations between the commission, the employer and the person, group or association to decide the kind of course to be given. That is a good idea, Mr. Speaker, as far as it goes. However, is that all? Is there going to be a follow up? I am afraid of the abuse which can happen because it has in the past. We have had employers who have accepted incentives from the government to train or hire young people and they have used them as cheap labour without any thought of the consequences for the person involved. I gave you the example already of the youngster and the table legs and tables. This kind of thing has happened too often in the past and I think we have to be very careful to monitor the program so it does not happen in the future.

We should also be careful in the rationalization of this training. There is a Chinese proverb which says if you give a man a fish, you will feed him for one day; if you teach him to fish, you will feed him for a lifetime. That makes an awful lot of sense. However, I think we have to be careful to make sure there is enough water around for him to fish in. Here again there have been pitfalls. I believe on the east coast we trained hairdressers and barbers, too many to look after the population of a given town. This is what I mean when I talk about rationalization of these programs.

I also very much welcome the extended period over which the training program can be held. I have not heard in this debate one particular facet of the extension of this program, perhaps because the members who have spoken so far do not have the same kind of experience I have in Toronto. I have a riding which is blessed with constituents from about 61 different countries. Obviously not all of them are fluent in English or in French. I suppose in Toronto the most important language would be English. However, many of these people who come to Canada have a tremendous aptitude for the very skills we need. Our employment counsellors have verified that the aptitude is there. They perhaps know enough English to get by in a social environment. They can go to the supermarket and converse with their neighbours and what not, but what they are lacking so often, Mr. Speaker, is the jargon of the trade.

● (1620)

It has happened on countless occasions that people who would have made good electricians, mechanics and what have you, were stuck because they did not know the particular words in English for the machinery they were using. People in the medical profession experience a similar situation. They are trained in other countries and come here. Their scientific knowledge is perfect but their language requirements hold them back. When it comes to the definition of occupational training, as in clause 1 of the bill, I hope that the minister agrees to use the broadest possible definition so that people who would otherwise be perfectly willing and able to work in the trade would not be held back because of a lack of knowledge of the jargon of the trade.

Another project was recently started in my riding. I am delighted to say that it is being spearheaded from York South-Weston. It is a project to train women in non-traditional jobs. If I may, I should like to spend a little time on this. It is a

subject which has not been discussed sufficiently in the House or perhaps even in the country at large.

When we speak of women in non-traditional jobs, we do so from a very pragmatic point of view. Up to now the government has spent a considerable amount of money training women—and I will stick to my own area because it is the one I know better—for traditional jobs, such as secretarial ones. This is fine. The women are well-trained, they learn, but many of them are single mothers. Unfortunately, at the end of the course the going wage for them will be the minimum wage. There is no mother who can afford to keep herself and her child in Toronto on the minimum wage. Therefore there has been a large attrition rate in this particular field. Women who have been trained in secretarial skills such as typing or whatever have had to abandon their skills at the end of the course when they found that they could not literally afford to work and had to go back to welfare. This is one problem we must face when we speak particularly of single mothers.

What is the solution? In my view there are two. One solution has been referred to very frequently on the west coast in Vancouver. It is a type of phased-in period so that the welfare payments would not be automatically cut off the moment the woman graduated from her training course. It would be phased in until such time as she earned enough to keep herself and her child, particularly for necessities such as medicines and so on which, as we all know, are covered at the moment by welfare. This is one idea. I brought it to the attention of the Minister of National Health and Welfare (Miss Begin). She was most sympathetic and promised to discuss it with her provincial colleagues.

However, I believe in most cases there is a better solution, and that is to train women in non-traditional jobs. Here again we are being very pragmatic because once they graduate from training in non-traditional jobs they will earn very much more than the minimum wage. Once we have said that, let us think of what is really happening.

As I said, the Department of Employment and Immigration agreed to start this pilot project in my riding. Obviously I wanted to help as much as possible. A few months ago I spoke with the area manager who told me that she had a little difficulty with a certain firm in the aerospace industry which, by the way, is doing rather well in Ontario at the moment. She told me that the difficulty was one of attitudes. She did not feel that the company was very co-operative or even very sympathetic to the idea of hiring women who would be trained by the federal government for non-traditional jobs in its plant. This struck her as shortsighted on the part of the company because it is dependent upon the government for its contracts.

However, I telephoned the manager of the company. I asked him if what I had heard was true, that he and his officials had been less than co-operative with the officials of the Department of Employment and Immigration. He blustered, he denied things for a long time, and eventually he said, "Of course, we must not practise inverse discrimination". We will have to tackle this point because it is one of the lamest excuses. It is a new one but it is still lame. Ever since the inception of this firm, even of the industry itself, discrimination has been practised. Only men were assembling aircraft until the Second World War, when men went out to shoot at others and women had to assemble planes. Is it not funny that no one complained at that time that women were making the planes?

Apart from that, inverse discrimination bothers me because it is so illogical. It is similar to complaining that the pendulum moves only to the right but never to the left and therefore the pendulum is discriminating whichever way it goes. The pendulum will have to swing again to the left in order to get back in the centre where it should be. If this is called inverse discrimination, then I welcome it because it is necessary.

I have heard other hon. members imply that we need the women because we do not have enough men. I do not think women would be too pleased to hear that kind of comment. We need women because they are a wealth of ability and capability. They are a rich resource which we have not tapped enough in the country. I do not want to hear "Yes, we will put women in the assembly line because we do not have enough guys". No, it would not do justice to women. Certainly it would not do justice to the calibre of work we want. It must be first-class all along.

This is the attitudinal problem which we face, sometimes in women themselves. It will take a tremendous amount of public education in order to get over it. But there is another problem when it comes to women in non-traditional jobs. I know some of my colleagues on both sides of the House have already referred to this fact. If we are speaking of women with family responsibilities, no woman I have ever met in my life can take training or do a proper job if she is not first convinced that her child is being properly looked after. Daycare is essential. It is not a hand-out. It is essential that the future generation of Canadians be properly looked after while infants.

I wish the minister were in the House. Perhaps he or his officials could reply to me later in writing. Clause 7 refers to the training allowance. It reads as follows:

> The Commission may pay to any adult who is being trained in an occupational training course described in section 5 a training allowance related to the family circumstances—

I would very much hope that these family circumstances would include the serious circumstances of children who need to be looked after while their parents take training.

• (1630)

Mr. John Bosley (Don Valley West): Mr. Speaker, I am happy to rise to speak to Bill C-67. As I make my remarks I would like to relate to the House a number of experiences which have taken place in my riding in the last few days in this area.

Before I do that, Mr. Speaker, I would like to start by complimenting the previous speaker, the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni). It is not my desire to congratulate members opposite, but in this case I believe the parliamentary secretary has made points which any member of this House should pay attention to. I respect and applaud her for having made the points she did

about daycare centres and about counselling, which I would like to come back to in a moment. I hope she has more luck in persuading her government of the wisdom of the daycare argument than opposition members have had up until now.

I suspect that she would not mind if I said to her, through you, Mr. Speaker, that one of the measures by which we will judge backbenchers in the Liberal party on this question is how effective they are in encouraging the government in the area of daycare.

Miss Bégin: It is up to provinces to take the initiative.

Mr. Bosley: Ministers of the Crown are already leaping to the defence of their backbenchers. After paying a compliment I receive hostility.

The parliamentary secretary was very careful not to name de Havilland. I take it from her remarks that it is the firm she was referring to. As she will remember, some of us raised that issue in the House about a year ago on behalf of one of the unions which was petitioning the government with regard to de Havilland's practices. The parliamentary secretary is not saying no to de Havilland, nor is she saying yes. Rather, she is laughing behind her hand and, therefore, I take it that de Havilland is the firm in question. I urge her to raise this issue again with other ministers, such as the Solicitor General (Mr. Kaplan) who has some direct involvement with the employees of that company and who took almost no action at the time this issue was raised.

What happens in that company is a shame. To go even further than the hon. member has, the company appears to have a very direct and deliberate policy of steering women to secretarial jobs and away from jobs on the floor. I have said outside the House, and I will say it inside the House, that it is a most regressive and unfortunate policy.

We raised this issue in the House a year ago and, to my knowledge, nothing has been done about it directly by this government. It is a company which is largely funded by the government. I think the goverment has a major responsibility to demonstrate within companies it owns or funds what it believes should be good practice that all Canadian companies and employers should follow. If it will not set the example then it is in some difficulty when it criticizes others. I say this because I agree with the parliamentary secretary that this issue needs clearing up. I encourage her to continue pressing this issue, if only because we raised it.

I would like to come back to the valuable points made by the parliamentary secretary regarding special counselling by the department of manpower and relate a couple of stories which took place in my riding, since they reflect the difficulties which underlie this act. What seems to happen if you are good at counselling, which is an area quite distinct from training as the hon. member knows, is that you either have to leave the field because you are good at your work—and the only place you can find a substantial promotion is in the private sector—or you are promoted to a position where you are not really able to continue with the direct counselling of people who come to the department for help.

There does not seem to be the other kind of counselling in the department which is critical, which is the counselling of those who will do training assessments. That is a very important hole which needs to be filled. It does not make a lot of sense to have people who want to help the unemployed and those people who need help if they have not been given the proper tools and training in the counselling aspect of the job.

This point came home to me most clearly on Saturday morning when I was in my constituency office and met with a constituent of mine who is currently trying to gain entrance to one of the government's training courses. She knows the problem better than any of us since her career background is in social work, for which she holds a Bachelor of Arts degree. She now has the problem of trying to obtain work in the child care area, after six or seven years of working in that field, only to find that she has been passed over in favour of people with masters' degrees in social work—called MSW's in the trade. Therefore she must pursue a new career, which is unfortunate but which is also a reality.

Thus, she approached the department to see what was available to her and in order to obtain some assistance to determine what she might best be suited for. With her background in the area of counselling you can imagine her shock when she found that the counselling being offered her was inadequate. She related this to me at length, not because she felt the people in the department are poorly motivated or because their intentions are less than honourable, but because she believes that they have not been adequately trained to deal with people in her circumstances.

I now come to the second part of her dilemma. Having decided that she would like to pursue a second career in the area of secretarial sciences which is called word processing, she took the manpower tests for that course and completed them extremely successfully, as one would expect, only to discover two months later that the department was cutting back the program she had applied for. It would appear that, having been accepted into the course, she would have to wait an additional four months to receive the training which the government said it was trying to give her.

It is frustrating to be standing before you, Mr. Speaker, speaking to a bill which has the stated intention of improving training opportunities in Canada while knowing our constituents are having trouble gaining access to existing training programs. While the government says it is taking this course of action to improve the situation, at least in my riding in metropolitan Toronto where unemployment is substantial, it is cutting back on the available retraining programs. It is taking away seats from one of the approved community college courses, at least in the case I have referred to.

Further, it says that once you have chosen the college where you wish to take a course, if the seats are cut back at that college you may not reapply and be reassigned to a different college where seats are available because you have indicated your college of preference. Therefore, you must now wait to receive the training. Where this bill says that what we need is more flexibility, the practice is to create more inflexibility. The

good words in the bill would appear not to be met on the ground that the people who are trying their best to deliver programs cannot do so because the strictures placed upon them by departmental rules are inflexible.

I would like to make this plea, through you, Mr. Speaker. I ask that these representations be taken into consideration by the committee at any time it is dealing with this measure. As a member of the committee I can certainly make a commitment that I will be raising these issues. I see the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dawson) is nodding that he might be interested in these areas. That is terrific.

As I indicated earlier, on the face of the bill there are a number of matters which are quite exciting and useful. As members will know, for some time one of the problems with retraining programs has been the effect that the payments under retraining have been roughly the equivalent of payments made under unemployment insurance. The bill proposes to increase the allotment for retraining. Let us assume that what seems inevitably to happen with this government will not happen in this case. Let us hope that next year the government will not introduce a bill to increase the unemployment insurance allotment because this year it increased the training allotment. Let us hope that the spread between training and being unemployed, which is presumably to produce an incentive to undergo training—if one believes the government's press releases—will be continued. I believe that is an important point. What is before us is good.

The bill proposes to grant more flexibility to the government in choosing who will be eligible for training and benefits, and in what areas and industries. It reintroduces the usual problem in that at least areas and industries will be designated by the governor in council and not by Parliament or a parliamentary committee. If you look at those areas and industries which qualify, it is amazing the resemblance they bear to ridings held by certain Liberal cabinet ministers. There does seem to be this parallelism which goes on whenever the government brings in this kind of a program, and that is a problem. The idea of the act is to help. We would hope that the help in the act is available across the country where there is a need, and is not simply based on whether one's representative is in the cabinet.

● (1640)

Some hon. Members: Hear, hear!

Mr. Bosley: Equally, the bill proposes, significantly, to end the limitation which has existed whereby the training programs have only been available for one year. Those who have been involved in this know that sometimes it is necessary to go on longer than a year simply because, as we become an increasingly complex world, the training program takes longer than a year; and that is welcome.

Having described what I think is relatively good, and having indicated that I do believe the bill, while cosmetic in its actual impact, is nevertheless a move in the right direction, there are some matters I want to put on record as being worrisome in the sense that the bill still does not get at them.

Most significantly, as has been previously mentioned, hon. members will know there is a task force meeting now called Employment Opportunities for the '80s. Its members, I gather, to a man and a woman, are opposed to this legislation at this time, and I can understand why. It is because the whole argument about training relates ultimately to the ability of the government to forecast well. There are very real reasons to criticize the government for its forecasting in the past, and yet we are faced with a bill to enter into the training area at a time when the task force on what we ought to be training for has not reported. Therefore, I suspect we will have to see a complete revamping of the government's ability to target for training purposes as a result of that report.

It might have been better if the initiative had waited so that it could take into account all of those things, since the track record in this area is that it takes a long time to get the government to move in training areas. It would, therefore, seem to me that the government is likely to use this initiative as an excuse. What it will say when it does implement the task force recommendations quickly will be, "It is okay, we did a little for you last year with these changes". If that becomes an excuse or is used as a reason to justify not proceeding with what good recommendations do come out of the task force, then we will be back on our feet to say, "We told you at the time that this does not replace a good training program", which we hope will be recommended.

Equally significant is that we continue, as far as I can tell, to have in this bill a provision which allows the government to announce its training initiatives and programs without automatic or necessary resort to consultation with the provinces. The possibility continues to exist that a program will be announced and implemented, and the province consulted after the fact as to whether it was useful. That is a shame. Indicative as it is of this government's attitude toward provincial consultation, which is more evident in other areas which are before this House or may be before this House shortly, it is still, in this case, a shame.

If I can again cite an example of the kind of quandary one gets into when there is not the kind of adequate consultation which should go on, I have a constituent who is desperately attempting to find someone to help him in the particularly innovative area of spot welding. The provincial government has advised the federal government, I gather, that that area should be one of the areas subject to training funds. It is not but should be.

The case could most easily be put this way. This particular constituent applied through manpower for someone to fill this job for eight weeks, as is his right and as is his obligation before he can go anywhere else to find someone. Having done that, having indicated that there was someone from outside the country who could fill the job and do the work which needs to be done in our area, having tried to find a Canadian, the department said, after the fact, "No, we are not going to let you bring anyone in to fill your job need, which may produce

more wealth in your area; we would prefer that you train someone." When this man turned around and asked whether there is one of these subsidies to train, the answer was no. The federal government says that that is not an area of need.

That is the kind of problem one runs into when one is dealing with the government and its forecasting ability. When employers take to the government specific areas of job need for which they cannot find people, there seems to be some reluctance to accept what the private sector says is a job need as opposed to what the statistics say is a job need.

I might point out an example found in Toronto. I use this example gently because I do not want to offend any of the people in the florist business. However, one of the programs which is currently regarded by the department as being in demand, and therefore subsidizable, is one which shows up on the form as "floral design". I should say that when I first saw it on the list it reminded me of those of us who went through college in the last 15 or 20 years in the country, which is what the government told us we ought to do in order to get a job. Even if we did so by taking courses in basket weaving or other things, that was okay. A degree was going to get us a job. That was the government's forecast 15 years ago, and it is now showing up as being disastrous. I am therefore suspicious whenever I see a government list of occupations there will be a demand for, so I called. No one can tell me where that demand is; no one can yet tell me how many people are needed in it; and no one so far has been able to tell me why it is on the list. That is a little worrisome when one is being asked to support this kind of program.

Therefore, I believe that while we may not have the perfect system when we rely on provincial forecasting, at least it is a component of the forecasting system which is somewhat closer to the ground, in real need, than Ottawa. I hope we will see a reliance on provincial forecasting rather than the apparent ability in this bill to get around it.

If I might put on the record some of the problems which exist in that area, probably a report which would be of interest to anyone concerned with this subject is an Economic Council report called the Betcherman report, which deals with these figures and lists some of the existing situations where the government has said it knows what we need to spend money for and what the realities are. Perhaps some hon. members might be interested in some of these numbers.

Effectively, what the report would seem to say is that in the past funds have been spent in a relatively haphazard manner and not targeted to specific skills which are needed in certain locations, which is what should be done. For instance, the most critical shortages are in product fabricating and repair, machining and science engineering, but training is seldom targeted to meet those needs.

These are some examples. Product fabricating and repair accounts for 22.3 per cent of the shortages in Canada, but only 19.4 per cent of training programs, and only 27 per cent of those programs are government funded, according to that report. Equally, according to the report, machining personnel, who account for approximately 32 per cent of the government assistance today, account for 13.4 per cent of the shortage in Canada, and only 8.8 per cent of the training programs. Science and engineering workers, the third highest need group, account for 12.2 per cent of the shortage and yet only 5.9 per cent of the training programs, and less than 17 per cent of the total government aid. In other words, as the Betcherman report pointed out, groups for which we actually have a shortage are not adequately perceived by the government, and we do not get a proper response to the facts of the real world.

Sometimes—and this is a matter that the bill does not address—we find we are training in the wrong skills, or we are not even training enough in the skills which are needed. That, unfortunately, often winds up with lowering the employment standards for workers already in the force, and therefore often puts people in a position whereby they are competing for jobs which are already filled as opposed to filling jobs which are vacant in industries which need help; and a whole series of problems can arise from that.

Finally, let me return to the view which I think many of the hon. members on this side of the House will be presenting, which is a view which most of us hold. I believe we will be supporting this bill, from everything that I can see, not because it is a major initiative in the area, and not because it solves the training problems of the adult unemployed in Canada, but because it goes a little way toward producing some more flexibility if the department chooses to implement it. This is critical—if the department chooses to implement it. It would give some more opportunity and incentive to those who are unemployed to choose to take training work.

However, we hope—and this will be the plea, I believe, of those of us who have been in this area for some time—that the government will take seriously its stated goals toward employment development and that it will take seriously the recommendations when they come from the Employment Opportunities Task Force. As I said earlier, I hope that we will not, as I fear, receive any claims from the other side, here or in public terms, that the government has provided, through this bill, a major and sufficient initiative in the area of adult training. Because it clearly is not that. It is an important but small matter. I hope it is understood by hon. members opposite and by the minister that it is in that vein that those of us who rise to support the bill do so, in order to remind him that we expect better from the government. We will continue to press for that.

• (1650)

Mr. Bruce Lonsdale (Timiskaming): Mr. Speaker, I am pleased to have this opportunity to speak in this debate on the amendments to the Adult Occupational Training Act. As a member of the task force on Employment Opportunities for the '80s, I had a unique opportunity to travel across the country and listen to the views and concerns of many Canadians with respect to the manpower training programs, the employment programs in the Canada employment centres that have been established by the government to assist unskilled and unemployed individuals to find better jobs and get better training.

As a result of the hearings, I have become aware of the importance of these amendments to our training policies. As the task force nears the end of its mandate, all its members have arrived at a deep interest in any changes in the policies that provide Canada with the skilled workers necessary for the continuation of our economic advancement into the next decade.

The task force has heard from hundreds of concerned groups of employers, workers and educators over the last year. Most have called for changes in the way which the federal government funds and oversees training programs now in existence in Canada. This experience has made me aware of the pressing need for fundamental revisions in our educational and training programs.

These experiences have made members of the task force aware that the present Adult Occupational Training Act is inadequate. There has to be more flexibility in the program to allow employers and employees to benefit from training programs with a minimum of red tape and administrative hassle. This bill now before the House represents a good beginning in the process of reform.

With the determined and co-operative efforts of all parties in this House and our provincial counterparts, we will be able to provide all Canadians with a secure and prosperous future. We all know that the supply of skilled workers is fundamental to our national economy. No one can argue against that point. We are all aware that the apprenticeship and training programs now in existence do not adequately meet our present demands, let alone those of the future.

In order for the economy to expand, we have to stress the importance of new technologies. These advancements will require skilled workers to see them carried out. We must have skilled workers in order to become more competitive in the marketplace; we must manufacture better products and be able to supply, to sell, and create new markets which will expand our economy and make more job opportunities. We have to be able to provide the manpower necessary for an adaptable economy, and therefore we have to have a labour pool which has the basic skills for any job as well as the skill levels to be readily adaptable to new employment requirements and opportunities. We cannot continue to rely on temporary solutions and catch-up measures in our employment policies and we certainly cannot continue to rely on offshore workers. Therefore, we must have a comprehensive skills training act which will eliminate the double-edged problems of high unemployment and skilled labour shortages.

There has to be a strong national manpower policy which will begin to eliminate regional manpower imbalances. This policy has to have clearly defined goals, aimed at ending shortages in some fields and surpluses in others. What is needed is a flexible set of solutions. The federal government has to lead the way.

I concede, Mr. Speaker, that many of the problems have arisen as the result of poor planning on the part of the government and its inflexibility in the past. Problems have also arisen because of the approach of provincial government educational institutions to higher education and their emphasis on post-secondary education. Wherever the fault lies, it is clearly indicated that the federal government must take the lead.

The bill under consideration today is but one step in this direction, and I believe it is a step in the right direction. The basic aim of Bill C-67 is to provide the federal government with the flexibility necessary to increase access to, and availability of, training programs. Any new program has to account for the fact that not all skilled trades can be learned in 52 weeks. Therefore, Bill C-67 provides for increased allowances for courses which last over one year. Not all training programs will last this long, as some skilled trades can be learned in the period now allowed by old regulations. This new extended length provision will allow Canadian workers to train for skills which demand more comprehensive training programs and training time.

Another welcome provision which has been included in Bill C-67 is the one where, under certain conditions, funding can be made available for training programs not available in Canada. This will allow a number of Canadian workers to train outside the country and then return home with the knowledge to implement these learned skills in national production. Our training policies and programs will then have the ability to reproduce newer technologies in Canada.

It is very important in the field of resource development that as new and innovative approaches are taken in other countries, Canadian industry, particularly in the forestry and mining sectors, is able to send abroad some of their better workers to be trained in new technologies for processing and timbering. The companies would then have better trained workers and this would raise productivity levels. This change, to allow employees to go outside the country for upgrading and higher skills does not question the capabilities of our Canadian schools; rather, it broadens our capabilities, which are presently footed on a strong base, to meet the needs of the future.

One of the major criticisms of the training programs that we heard as we travelled across the country concerned our young people having to wait a full year after leaving school before they qualify for training programs. Bill C-67 includes provisions whereby funding schemes will become more responsive to the needs of Canadian industries. With this provision, the employment commission could waive this condition and allow a number of young people to enter the training system without a long wait. As a result, skilled workers will enter the job market earlier and this will provide the incentive for more pre-employment training in our schools.

Another example of this bill's flexibility is the fact that it allows the employment commission to channel funding to areas where there is a demonstrated skill shortage. This is the kind of flexibility that a great number of submissions to the task force recommended. Not all of the new amendments deal with young people. In order to eliminate the possibility of older workers losing their jobs because of plant shutdowns and redundancy, Bill C-67 allows the commission to fund training programs to update their skills. This will eliminate one of the major problems the economy faces with respect to loss of

skilled workers or not having them available for better training or being unable to train our young people.

The most important aspects of Bill C-67 are the provisions which will eliminate some of the red tape which until now has stopped a large number of firms from beginning training programs. A recent survey showed that only 20 per cent of all firms have training of any sort. In that same survey it was reported that only 15 per cent of all employees in Canada have received any training at all. This tragic situation has to be eliminated.

This bill will eliminate to some extent the red tape which caused some smaller firms to create an administrative job just to fill out the forms required to receive grants. I believe the bill will reduce this bureaucratic red tape and create incentives for smaller companies to apply for grants under the act so that they may provide more training opportunities for their workers and thus supply more skilled workers.

By providing for flat-rate payments to industries and fixed-rate payments to the provinces, most of the guess work has been taken out of the system. All the small employer has to do is ensure that the programs meet the criteria set out in the regulations and apply for reimbursement. This is especially important to the smaller firms which cannot afford the administrative costs required under the old regulations.

Besides allowing for less administrative work for companies when applying for funds, the act allows the commission to enter into contracts with persons other than employers for the creation of training programs.

As we travelled across the country, we heard that some private businessmen are better able to train individuals than the local institutions or the local major employer. I think the new provisions will give some skilled people who want to go into the private marketplace the opportunity to sign contracts at Canada employment centres to train individuals where and when they are needed. It will not always be necessary to rely on the local employer to do so. This will enable Canadian workers to train for new jobs in areas where there is a demonstrated shortage.

Therefore, these amendments provide the federal government with the flexibility to meet the changing employment market. Companies will have greater incentive to begin training programs, employees will see the benefits of learning new skills, and our young people will begin to have a clearer picture of their future in the Canadian job market.

● (1700)

In conclusion, I believe these amendments are a good start. They open the door to a serious re-evaluation of our total training programs. I know that some members opposite have some concern that this bill should be delayed until the employment task force has an opportunity to present its report and to have its recommendations embodied in the amendments to Bill C-67. Indeed, the hon. member for Don Valley West (Mr. Bosley), who spoke before me, presented that very argument; he did not want to see the government use Bill C-67 as the excuse to put an end to its proposed changes to the Adult Occupational Training Act. For the benefit of the hon. member for Don Valley West, I shall quote from the speech made by the Minister of Employment and Immigration (Mr. Axworthy) last night. As reported at page 11239 of *Hansard*, we read:

> Some hon. members have asked me for the assurance that passage of this legislation will not close the door to further changes in training legislation after the studies have been considered. I am pleased to offer those assurances. As far as I am concerned, Mr. Speaker, the amendments introduced in debate on second reading are simply the prelude to a much wider range of changes that must take place.

I intend to take the minister at his word. I hope that this bill will receive third and final reading. But I want to remind you, Mr. Speaker, that the passage of Bill C-67 will not, and should not, be considered the end of the government's initiatives in manpower training policies. Other members of the Task Force on Employment Opportunities for the '80s and myself will continue to push for changes once our report is released some time this summer. That report will include a wide range of recommendations. Some of those recommendations will be simple administrative changes that will be necessary and will have to be implemented by the department. Other changes will be more drastic, and perhaps even of an alarming nature. I think I can speak for many members of the task force in saying that we intend to see that those recommendations are listened to and carried out by the government.

Therefore, I welcome these amendments. But I wish to remind this House that these amendments can only be considered as a preliminary step towards a total re-examination, and re-evaluation of programs as well as a complete redirection of Canada Manpower programs and human resource planning in this country.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vegreville (Mr. Mazankowski)—Aviation safety—Curtailment of air traffic control services at Calgary International Airport (b) Shortage of air traffic controllers; the hon. member for Saskatoon West (Mr. Hnatyshyn)—Post Office—Timing of Parliament taking summer recess—Effect on postal strike (a) Effect of strike on small business (b) role of Postmaster General; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Health and Welfare—(a) Status of Robertshaw study of child fatalities caused by parental neglect (b) responsibility centre for children.

GOVERNMENT ORDERS

[*English*]

ADULT OCCUPATIONAL TRAINING ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Axworthy that Bill C-67, to amend the Adult Occupational Training Act (No. 2), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Neil Young (Beaches): Mr. Speaker, I rise to participate in this debate on Bill C-67, to amend the Adult Occupational Training Act, which proposes a number of amendments to this act that are very much needed and have been a long time in coming.

The Minister of Manpower and Immigration (Mr. Axworthy) in his opening remarks on this bill yesterday said, as reported on page 11239 of *Hansard*:

> The bill we are studying today has three basic goals. The first is to simplify the administration of the Adult Occupational Training Act and to eliminate much of the unnecessary paper work that small businessmen in particular must face in developing industrial training on the shop floor.

That particular amendment is welcomed by me and I am quite sure it will be advantageous to small businessmen in the administration of this act. The minister went on to say:

> Second, we want to make the act more flexible so that it will respond to the variety of needs in the training area.

As I read those words of the minister, I see as usual he is full of hope that these measures will go a long way to solve not only our skills problems but also our unemployment crisis. I was rather interested to hear the previous speaker say, once again on behalf of the government, that this program is not a program to end all programs in terms of job creation, but is simply just the beginning in a long process.

I have been here for some 18 months and I followed the debate in this House rather closely prior to coming here. It seems to me the government is always making statements like that but it never does anything in a concrete way about any job-creation programs, at least in the long term.

While the minister was on his feet yesterday, in recognizing the changes in our society being brought about by technological change, he said:

> While service work—work in the areas of public administration, clerical, management, health services, education and others—was the major stimulus for growth in the last two decades, it will increasingly decline as a supplier of jobs in Canada.

In the next paragraph the minister said:

> We must promote the integration of women, native people and disadvantaged workers in a larger field of employment. We must train more workers in skilled trades and occupations. We must help the workers already on the labour market to learn new skills without undue difficulties.

While amendments to this act have been a long time coming and are welcome, I think the minister is dreaming if he believes that these amendments will solve both our unemployment problem and the lack of skills training in our work force.

Approximately 7.1 per cent of our population, or over one million Canadians, are unemployed. Close to half a million young people under the age of 24 are without work, and it is estimated that 50 per cent of those have less than a grade 10 education.

In the over-all scheme of things, the most that can be said of this bill is that it will improve the present inadequate legislation, but without additional policies it is simply a continuation of the government's cosmetic approach to these deep-rooted problems.

I find it interesting that the minister can wax so eloquently about the virtues of these amendments in terms of doing something concrete about the serious lack of skills training, when he knows, as do the unemployed, that there are simply very few jobs available in the marketplace. I would have been much more impressed had the minister come forward and told us that he recognized the very real problems we have and that he would present to the House an over-all strategy to solve them. But the minister has not done that. All he has done is forward some improvements to an inadequate piece of legislation which, even though welcome, do very little to treat the whole problem.

Surely the time has come for the government to recognize that we cannot seriously discuss the present lack of occupational skills training without talking about a full employment strategy. I suggest, as some members on the government side have suggested, that you cannot at this time in our history continue to ignore the needs for integrated strategies to treat the serious problems we face as a country and as a nation. In my view, you cannot talk in a serious way about job training without talking about industrial strategy. You cannot talk about an industrial strategy without talking about an economic strategy and a social policy strategy. I say that for a few reasons.

Earlier in my remarks I spoke about the general unemployment problem. However, the hidden unemployment figure is closer to 1.25 million. We do not include in this group of Canadians out of work another element in our society. I am referring to people who are considered to be disabled or handicapped in our society. They are not regularly included in the unemployment figures, neither the seasonally adjusted nor the actual figures.

I was a member of the Special Committee on the Disabled and Handicapped which recently tabled its report in the House. The report itself points out that while we have something like 2 million Canadians who are considered to be disabled or handicapped, or 10 per cent of the population, out of that group there are 700,000 disabled Canadians who are considered to be employable. In that particular segment of the population there is an unemployment rate estimated to run between 70 per cent and 80 per cent. The committee viewed this so seriously that, out of the 130 recommendations it made in that report, 19 centred on the unemployment problem.

• (1710)

While there are numerous problems faced by disabled Canadians that able-bodied Canadians are faced with, such as housing, education, transportation, recreation, communications and unemployment, none of these problems can be separated from the others. One is synonymous with another. If you want to provide people who are disabled and presently in institutions with adequate accommodation, transportation and access to educational facilities, you have to provide them with the means to do that. That is why the committee placed such emphasis on employment opportunities. Even with the special employment program which the minister brought forward earlier this year that was supposedly directed toward disabled Canadians, it is generally recognized within the disabled community that that program will do very little, if anything, to provide those who are disabled with jobs, particularly those who are physically handicapped.

The minister talks about the amendments to this act doing something in a very real way to provide employment opportunities or skills training opportunities to disabled and handicapped Canadians. He is kidding the troops, he is kidding himself, but he certainly is not kidding the disabled and the handicapped, and he is not kidding me. The amendments in this bill will not do anything for those who are disabled and require an upgrading in skills training. For the minister to make those kinds of statements is, as I said earlier, kidding the troops.

Mr. Orlikow: He is good at that.

Mr. Young: As my friend from for Winnipeg North (Mr. Orlikow) says, he is good at that, but he has not been so good recently, especially among women's groups, which is another area I want to talk about.

While the minister seems to recognize that society is changing very rapidly in terms of skills as applied to traditional jobs, there is an area that will change even more rapidly than it has up to this point. This is the area of clerical work, which will change rapidly as a result of electronic applications. For example, the impact of the microchip on the industrial work environment will have major repercussions on the structure of the work force as we presently know it. There is justified concern that those most likely to bear the brunt of the inevitable change will be those working in information processing occupations, and particularly in service industries. A West German study predicted that 40 per cent of office work could be eliminated within ten years. A French report forecast that 30 per cent of bank employees could be redundant within the same period. In Britain, a study predicted 25 per cent unemployment by 1990.

How fast the changes impact are a source of disagreement, but most experts agree that certain jobs will become redundant as new, relatively inexpensive machines with computing functions, such as word processors, do the work faster and more efficiently than the people now holding the jobs.

There is no consensus on whether more jobs will be created or lost, but women will probably face the brunt of it more quickly. Women are concentrated in clerical, sales and service jobs involving the straight handling of information, and it is these jobs that will be transformed. About 80 per cent of Canadian working women are in the service-producing sector of the economy. One and a half million women—34 per cent of working women—are employed in clerical jobs alone. In federal government secretarial work, the percentages go as high as 90 per cent. Therefore, jobs traditionally held by women are expected to suffer disproportionately from the microelectronics revolution.

The problem is predicted to be not so much displacement as much as a tendency not to hire the additional person. Attrition will also play a part. For example, with the introduction of the electronic switchboard, the number of operators on toll boards in Toronto dropped to 664 in October, 1978, from 1,048 in September, 1977. I understand that that work force has been reduced even more dramatically from the 1977 figure. But there were no lay-offs as such, partly because the turnover rate of operators is extremely high.

The changes are almost certain to create a skills gap. Some existing jobs will be downgraded as machines take over computing and sorting functions. When word processors were introduced in a large Calgary firm, the secretaries were freed of 50 per cent of their usual workload. At the same time, jobs created by the new industry will require more skill and aptitude.

Extensive retraining may be necessary for women if they are to get their fair share of the new employment. Without retraining, women may well end up in the lower paying jobs. For example, women tend to fill the minimum wage production line jobs in the high technology firms in the Ottawa area. Women are underrepresented as computer progammers, analysts, accountants and engineers, among other occupations where computers are expanding employment opportunities.

Observations noted in "Women and the Chip" included the fact that, at the clerical occupation level, labour requirements are seemingly being reduced in the following ways. First, there has been a reduction in the clerical steps involved in handling, processing, storing and distributing information. Second, there has been an erosion of the labour component of clerical functions. Third, there is a telescoping of the supervisory and low level administrative requirements.

At the specialist and professional occupation levels, labour requirements are seemingly being intensified in the following ways. First, automation of the clerical and administrative detail content of the job; and second, escalation of the job's scope and potential with computer aids, such as computer modelling and data processing.

Several dangers were identified in "Women and the Chip". Among them were the following. If women continue to be concentrated in clerical positions and if these continue to be usurped by automation, by 1990, if present trends continue, they could contribute substantially to the unemployment rate. The skills difference between clerical and technical-profession-

al occupations could widen to the point of certain discontinuity between the two levels if present trends continue. If women are not able to bridge the occupational gap, industry could face a severe skills shortage in the specialist-professional occupations.

There is a need for immediate policy action on a number of fronts, such as training programs and educational leave opportunities, to enable women to acquire the necessary understanding of computer technology and the skills to make computers enhance their work and employment opportunities, instead of the reverse.

We need occupational bridging and other mobility programs, preferably giving legal clout in affirmative action agreements, which are necessary to ensure that women gain access to occupations being enhanced by computer technology. There is a need for health and safety concerns, such as stress, eye strain, back problems and the possibility of radiation exposure.

● (1720)

The federal government has been very slow to respond appropriately to the coming crisis. Most women taking manpower training courses continue to be slotted into secretarial and clerical classes, the very occupations which are going to be hit hardest by technological change. Entrance rates by women into non-traditional courses have been very slow and sparse, and part of the problem is the stereotyped bias of manpower counsellors who need some counsciousness-raising courses. The present training allowances, in my view, are a joke. As of August, 1979, the dependant care allowance of $10 per week per dependant was limited to a maximum of $40 per week.

In my view, manpower training courses must expand their shopping list to reflect predicted job vacancies and must offer incentives so women represent at least half the enrolment in these courses. Ancillary amenities, such as the training allowance, must more realistically reflect real cost so they do not serve as a deterrent to women trying to upgrade their job skills.

The federal public service should offer retraining to its employees, free of charge and during working hours. Women who have to pay for a class and daycare, plus add a third job to the two they already hold in the paid labour force and in household tasks, are unlikely to pursue more responsibility.

Affirmative action must be expanded throughout the federal public service and should be enforced through contract compliance with the private sector. The federal government does $11 billion worth of business with private firms. It should use this clout to ensure the removal of barriers to career development for women and to systematically ensure better access to employment possibilities.

Finally, the number of women's Outreach projects should be substantially increased, since they focus on the particular needs of women. Only by careful planning can the impact of microtechnology on women in the work force be cushioned. Retraining and occupational bridging can mitigate the coming skills gap if programs are started today. The federal government must start concrete action now to ensure that the wave of new technology does not break on the backs of women in the labour force.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to make a few comments on Bill C-67. I listened with interest to other speakers and I will not be able to speak with the eloquence of members who were on the task force. I listened to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the hon. member for Timiskaming (Mr. Lonsdale), the hon. member for Brampton-Georgetown (Mr. McDermid) and the hon. member for Beaches (Mr. Young) who were on the committee. They made some very important comments regarding this legislation.

I also think it is important that we deal with something that in our brief period of government we wanted to encourage and use more than had been used in the past. That was a system of encouraging members to be part of a task force. Members of Parliament could use their talents to study important issues in this nation, to build upon those studies recommendations which would be presented to Parliament, not just to the minister for his use or non-use, but to Parliament, so that members of Parliament would have these words of wisdom through a study done by members of Parliament elected by the people of this nation to assist in their government.

What we see happening with this bill is that it is before us before the parliamentary task force has reported to Parliament. This, in my opinion, does not make a lot of sense. If we place some value in the report that is coming forward, surely this type of legislation should wait for the advice of that task force. Then the measure could be altered in those areas where recommendations are made.

We started the procedure. We had four task forces set up. They were passed by Parliament, given a chairman and members to work on a number of topics, including volunteers, the disabled. We anticipated something on nuclear policy. We had task forces on branch line abandonment and emergency grain movement legislation. Two of those committees were able to report and those reports had a significant impact on what government did in those areas. This gave us as members of Parliament some encouragement that we had some value in this place. When we participate on standing committees we often find, more often than not, that the minister and the government are not prepared to accept any amendments from members of Parliament from other parties, or even their own party. They decide that the bureaucrats who advise the minister, and the minister who has put his stamp of approval on a bill, know all and there shall be no changes. That is why we get so frustrated as we participate in the standing committees and witness our inability to improve legislation; and it is why we have to move many amendments in this House at the report stage. We do not feel we have been given adequate hearing at the committee, or adequate hearing in the country through the only means many of us have, and that is the news media.

I heard the President of the Privy Council (Mr. Pinard) stating on "Question Period", I believe, a television show on Sunday, that he was concerned about Bill C-57 which came before the House with over 100 amendments. I say we are all

concerned about that, but this concern results from a feeling, on the part of opposition members in particular, that we are not given an adequate hearing in committee, that the government is too inflexible and, therefore, we have to bring these amendments to the floor of the House, putting them before this chamber so we may get a little assistance from the people of this nation as a whole. That is why the system of task forces is so important to this House of Commons.

As I read the excellent reports on the disabled and handicapped, on North-South relations, the proposed trading corporation and hopefully soon in this area—I understand the task force will report some time this summer—I note adequate studies have been done with very important recommendations being made. These are recommendations the government should be encouraged to accept, maybe not in whole but in good part. This would serve the country well.

I remember serving on a task force on emergency grain transportation and the government accepted the majority of the recommendations. That was the only light we have seen in western Canada regarding grain transportation for a good number of years. I would like to encourage the Minister of Transport (Mr. Pepin) to begin to deal with that very quickly as we see a very good crop being produced on the prairies, but no initiative being taken by the government to obtain hopper cars and other rail facilities to move that crop.

That is an example, and we had the example of the branch line abandonment study, which was accepted by this government, put into place and which served the farmers of western Canada very well. We now come to this task force which will be reporting this summer, but we have before us a bill to deal with the very subject that committee is studying and are without its advice. I really think that is not advisable and actually is flying in the faces of members of Parliament who are serving on that task force.

● (1730)

The previous speaker spoke of the need of the governments of this nation to deal with the decades of the 1980s and 1990s. We are moving rapidly into the era of the computer and the robot, which have the capacity to displace people from the work force. It has been said in a number of studies I read recently that many people in the next two decades will have to change their occupation, some as many as ten times. A wage earner with one skill becomes a little apprehensive of this kind of study because he is concerned that maybe he will not have the kind of skills necessary if his job becomes redundant or is lost to new technology or competition. That is why this bill or one like it is important, because we have to encourage our people to train and retrain.

It is also important that the provincial and federal government co-operate in providing the kind of education which will prepare our young people for retraining and for accepting new challenges beyond what they can now envision. Movie theatres are doing an excellent job of showing what is ahead of us. Some of it is very speculative, but I think it shows that the computer and space technologies, which have provided a tremendous number of innovations to the industrialized world, really can influence the work habits and jobs available to our citizens.

Now, I look at my province of Alberta which has just announced that a $100 million training centre will be built. The two centres we have, one in Calgary and one in Edmonton, which teach skills to young and old alike in the technical trades, are inadequate because of the demand in western Canada for skilled labour. We also have a community college which is doing an excellent job. So this announcement is an excellent initiative, but obviously even by the time it comes on stream it will probably be inadequate to meet the demand for the kind of projects envisioned in western Canada. In the past, when megaprojects such as the Syncrude project have been proposed, labour had to be imported from across the country to meet the need. Well, this time, if we approve two additional projects larger than Syncrude, will we be able to supply the skilled labour necessary and at the same time supply the petrochemical plants and the needs of the rest of the nation? I speak only of the needs of industry in Alberta because I am familiar with it. I refer to the pipelines, the new types of welding and the new types of skills needed for deep drilling which are much different than in the past.

What I am attempting to say is that not only does our province need to provide this kind of assistance, perhaps other provinces do as well, and the federal government must co-ordinate and assist in areas such as secondary education and on the job training. Members have stated that in the nations of Europe which have had more experience in this area about 80 per cent of job training is done by the companies. They consider it an investment in the future. Here in Canada only 25 per cent of our skilled trades people are trained here. I suppose in the past we have been dependent a good deal on immigration. We have stated a need; if we could not fill it here, we went abroad and tried to attract people. Often this was done to the dismay of these countries because many of them could not afford to lose these skilled people.

So far as training of our own people is concerned, there are two groups we have really overlooked. Those two groups are native people and women. I think women could be very much affected by new technology. Whether we like it or not, many women in this nation are employed in secretarial and clerical jobs which in the future may largely disappear.

Now, these two groups can benefit from retraining and we must prepare ourselves for that. When I looked at this bill in preparation for speaking on it, I was not very encouraged. When I look at my constituency in Alberta, and when I look at a government bringing in reasonably good legislation, I see the same government bringing forward legislation which, at the same time, is driving skilled people out of my constituency and my province. My constituency happens to produce a good amount of Canada's conventional oil. When things were going well a couple of years ago, many Canadian entrepreneurs, people who had learned their skilled trades from the large oil companies—which seem to have such a dismal image at the present time, companies such as Imperial Oil, Shell Canada,

Gulf Canada and so forth—decided it was time to grab hold of this industry. They went out and expanded industrial parks, built their own facilities and began to challenge these companies or to work with them in a farm-out type of operation. In fact, for many of them their life's blood was a farm-out to a large oil company so the land they bought for the province could be drilled. Then along came the NEP and the government destroyed 40 per cent of the budget of these companies and literally killed many of those struggling new entrepreneurs in my riding who were attempting to make their way in this industry.

As of June 17 we have lost 150 rigs to the United States with a resulting 20,000 unemployed. We have 221 rigs working in Canada and 237 which are not. I was talking to a friend of mine on the weekend who is involved in the trucking industry. He said that basically in the last two months he has hardly moved anything at all. His whole business was trucking rigs into the northern part of the province. What I am saying, Mr. Speaker, is that here we have a bill to retrain individuals, yet we are sending our skilled people to the United States, those who were learning their trades and teaching others. I am sure the United States are very pleased. They realize how important it is to have energy self-sufficiency and not be at the whim of some foreign government. They are very encouraged by our sending people down there.

This bill says that areas and industries have also been designated by the governor in council for increased assistance of up to 70 per cent of income for individuals entering apprenticeship. They listed the automotive assembly industry in Windsor, primary metals in Sydney and the shipbuilding industry. We may well need that in our province, if we ever get the two governments together, to retrain individuals in the oil industry because we are losing them to the United States.

● (1740)

I should like to refer to the numbers of people who are being lost in my own constituency where a study of 41 companies was undertaken. They conducted a poll to which 41 companies responded. The summary showed that total sales for 1980 dropped from $225 million to $218 million. This was in 1980 when the budget was first announced. Approximately $38 million was lost in that little area. It is forecast that in 1981 there will be a drop from $277 million to $174 million worth of work. This is a loss of $102 million in a few companies in my riding. This can be projected because in that area there are some 300 or 400 companies involved in this business. Also the study indicated a loss of 255 jobs because people had moved with the rigs to the United States, as well as a loss of 173 jobs in branch and field operations.

If this is projected to other areas of the province such as Drayton Valley, Brooks, Red Deer and so forth, it is a phenomenal amount of lost expertise, skilled labour and capital, all of which we need desperately in the country. They have been lost to other countries because of our policy—because of the Liberal policy.

Mr. Cousineau: You were doing all right but then you had to change it.

Mr. Schellenberger: It is important that the citizens of the nation know whose policy it is.

I should like to speak for a few moments about a specific group of people. When the Minister of Employment and Immigration (Mr. Axworthy) brings forward bills, I feel this group is left out. Again they are left out of Bill C-67, which is so important to that group of people. They, above any other group in the nation, learn and benefit more from on-the-job training, much more so than from secondary and technical schools. I suppose the reason for this is that the record of getting these people through our educational facilities has been very poor. This bill will not benefit this group of people.

I do not know how many times I have quoted the native unemployment statistics in the House. I wonder whether the government listens. The government tabled its own report last year, but I think it is important to give the statistics repeatedly so that members will be aware of the problem. The unemployment rate of natives in the summer is as high as 50 per cent and rises to as much as 90 per cent in the winter. There is a great dependence upon social assistance because of this.

I should like to refer to the study on Indian conditions which indicates that in 1970 federal government social assistance to native people amounted to $34 million. In the 1978-79 fiscal year, it rose to $104 million. Turning to the area of child care, there is the problem of broken families and families unable to keep their children because of unemployment. In that event the provincial foster care people come in and remove the children. To a large extent they are placed in non-native homes.

I believe the Minister of Indian Affairs and Northern Development (Mr. Munro) is addressing this problem. It is very important because once these children are removed from their cultural background—and historically they have no choice because they are enclosed in reserves—they become additions to the statistics as they grow older. The costs for child care have doubled from approximately $11 million to $24 million. The cost of trying to cure alcoholism, which is a very desperate problem among native people, rose from $167,000 in 1970 to $5.5 million in 1978. Even today that sum is inadequate, and it has probably risen by another couple of million in the last two years. The expenditures for other social services have risen from $1 million to $10 million, that is, adult care and welfare aid. The cost of medical services has risen from $36 million to $94 million.

The problem is that most of the Indian social assistance or medical assistance is not directed toward prevention; it is directed toward dealing with the after effects of the problem. Many of the things that we as citizens of the nation take for granted are not available to most native people. The expenditure on preventive measures such as sports and recreation rose from $97,000 in 1970 to only $2 million in 1978. This is something which should have risen faster; in fact it has not risen at the same rate as inflation.

The report also indicated that the cost of native people living off federal government social welfare has increased from $84 million in 1970 to $242 million today. This means that the economic development, job training and preventive service programs in many areas are failures. They are not working. They are not providing the type of assistance the government should provide to deal with these problems. It is only one statistic with which we must deal.

I should like to turn to the number of jobs which need to be created. The only way to have any success would be through training, not retraining because most native people do not have or have not been able to acquire any skills because of the situation in which they live. The government creates approximately 3,000 jobs a year for status Indians, but we need an additional 4,000 to 6,000 jobs for those coming on to the job market. I am not referring to those natives who have lost their jobs for some reason or those who have only been able to obtain one or two month jobs through LIP and LEAP. This is considered a man year, if they are all added together. These are the types of jobs which must be created.

If we build an economic development type plant, it may cost from about $30,000 to $60,000 to create one job. We are looking at many millions of dollars which would have to be spent to meet the needs of the young people coming on the market. It is a challenge for members of parliament and the House of Commons.

Returning to the report on Indian conditions, the estimated net increase in the Indian working population in the next ten years indicates that between 50,000 and 60,000 people will be coming on the job market. That is a great many people. And when I look at the reserves in my riding, I see that almost two-thirds of those people are under the age of 20, which shows the great baby boom which is taking place in those areas, probably because the job-creation program has not dealt with this problem, nor have our social programs.

● (1750)

How could this bill deal with that problem? As I mentioned before, if we want to meet the technology and the advances in job creation in Canada, there has to be education. One must have a basic education before dealing with the kinds of jobs which are available. The record with regard to native people achieving high school standard is abysmal. Thus, when one considers retraining these people, one finds they do not have a basic level of literacy. The bill does not deal with this problem. A new type of innovative program must be established to deal with this situation. This is why I suspect on-the-job training could be an important tool, since in many cases literacy would not be a factor in learning such trades as carpentry or construction work which a great many native people would find attractive.

Another problem with the bill before us is that it lacks provisions which would make it relevant to Indians living on reserves. We tend to forget that most status Indians live on reserves which are away from population centres. On-the-job training programs are situated in population centres. The kind of assistance which is offered in the reimbursement of living expenses is not adequate to allow these people to move into the cities. There is a natural feeling among native people that they do not wish to move to large cities since they are not comfortable there. Surely we should deal with this problem. Perhaps some on-the-job programs could be mobilized and moved to areas of high unemployment. Some kind of mobile on-the-job training programs could be set up when a company is building in the vicinity of a reserve. Surely this is the time to set up these kinds of programs which would create employment. Yet this bill does not deal with that aspect, nor does it deal with the problem which is very important when it comes to addressing unemployment in this country.

Another problem which has been mentioned before deals with the co-operation of the provinces. Some hon. members who have spoken before have said that there has not been any consultation with the provinces and that they hope that when the bill is passed it will meet some of the requirements of provincial governments. Most of the provinces are not dealing with the native unemployment problem. Because of our history, it has become a federal problem. If we are to deal with it then we must consult with the provinces to see if the kinds of jobs being created fit in with what the province is doing. This should be an important and crucial aspect of the bill, yet it is not dealt with at all.

I mentioned earlier the tremendous growth of our Indian population. We have had a difficult time coming to terms with the problems faced by Indians who move off the reserves. Employment is the major obstacle. When you live on the reserve and want to work but have no skills, you must move to the city to try to find a job. You cannot find a job if you are not skilled. Thus, you are left in the position of not being able to deal with the essentials of life—housing, food and clothing. Many social problems arise as a result of this situation. When we look at our jails, we see that over 50 per cent of them are inhabited by native Canadians. That is a problem which must also be addressed. Our adult training programs in city centres must address native Canadians who have moved to that area out of desperation. At the present time they are receiving no assistance. I hope these problems will be dealt with by the task force and that when it reports we can add points to this bill to overcome these difficulties.

I want to mention an excellent study which was done by Albert Cameron, who is principal of the Saskatchewan Indian Community College in Prince Albert. He made some recommendations which I hope will be dealt with by the task force and which I hoped would have been placed in this bill. In his recommendations he stated the following:

> The training should take account of the unique cultural and learning styles of Indians (e.g. courses must be flexible enough to accommodate different levels of education of the Indian students).
>
> The government should locate training facilities at or close to the reserves to allow adult participation and to eliminate relocation and its attendant problems.
>
> When the above is not possible, the government should set up a mobile training program for trade training, with complete facilities to circumvent the relocation problem.

I think these are three excellent proposals which should be considered. I hope the task force looks at them very seriously.

I want to conclude this portion of my speech by saying that when the government deals with this problem, it not only assists the native people of our nation but assists all Canadians. We cannot continue to shovel this under the rug, because the situation will just get worse. The statistics I have just enunciated prove that.

In conclusion I want to say that I have a difficulty in my own constituency with a pipeline company which needed trained individuals. It was unable to find any place in Canada where people could be trained as service technicians, so it had to send them to Houston, Texas for that training. Of course, the company received no assistance to do that. In effect, this meant training citizens of Canada to work in Canada. But not having the training facilities here, the company had to send them out of Canada where they could receive the necessary instruction. This problem is being addressed in this bill, Mr. Speaker, and I appreciate that very much. I know that while it will not assist the company which I have mentioned, since they have already spent their money, it will certainly assist it in the future if it must train new service technicians outside the country. That is one of the better aspects of the bill.

I want to summarize by saying how important I think it is to use the services of the parliamentary task force, to wait for its advice and to pay attention to what it has to say.

The Acting Speaker (Mr. Ethier): Is the hon. member for Nepean-Carleton rising on a point of order?

Mr. Baker (Nepean-Carleton): I was rising to speak for a few moments with respect to this bill. May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Ethier): It being six o'clock I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, it is a great pleasure to rise in the House tonight, with this assembled multitude, to speak for a few moments to such a distinguished group of hon. members—

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): —about a matter which is extremely important to Canadians. As the minister mentioned, because of the change which is occurring in Canada with respect to our work force and its necessities and requirements for education and training, there is a real challenge for young people in the country in the years ahead.

I am very pleased to follow in the debate the hon. member for Wetaskiwin (Mr. Schellenberger) who made a very thoughtful speech, dwelling, as he did, on matters affecting women and native people for whom he has a particular responsibility in our caucus which he carries out extremely well, marked by a sense of concern and feeling. He raised something during the course of his speech which I think is worthy of comment. He indicated that a task force is presently at work, composed of members of all parties of the House of Commons, with respect to the employment opportunities for Canadians in the eighties. He expressed a concern that somehow or other this bill might be premature because that task force will be reporting within a very short period of time.

Neither the government nor anyone else ought to take any steps which would in any way undercut or diminish the work of those very important task forces, initiatives which were begun under the government of the Right Hon. Leader of the Opposition (Mr. Clark) when he was prime minister engaging the attention of hon. members in particular areas. I think it is important that that does not happen.

As this debate winds down, and we anticipate this bill going to the committee, I hope it will go there with an understanding from the government. If the minister or his parliamentary secretary is here, it would be nice to have a response from him before the night is over, that the bill will go to the committee with the proviso that it is not the last word in adult occupational training. Out of that report which the committee will give at some later date, which I hope is not too long in the future, I hope there will be some consultation and some ideas which could lead to an improvement with respect to this bill because, as hon. members have indicated, it is our intention to support the bill.

Therefore, I hope the bill is not premature. I hope the hon. member for Wetaskiwin is not proven correct in that the government will attempt to do something in advance with respect to this matter which will ignore or render it necessary to bring in some other legislation in this area, because it is important and that task force is important. The whole question of adult retraining is important.

I think the purpose of the bill is clear. Under our current legislation as it stands, it must be apparent to the minister that there is little incentive for employers to enter into apprenticeship programs to provide training for people who want to work in the trades.

The purpose of this bill is to recognize the changing employment characteristics of the community, the changing technology in the world, and to ensure that there is some way in which we can be on the leading or cutting edge of this revolution in training. There is now little incentive for people to enter the apprenticeship program because the fact is that at present it pays almost the same rate as benefits under the Unemployment Insurance Act. Therefore, there is not that much incentive. Our purpose is to find some incentive.

When this bill extends the definition of an occupational training course to include courses consisting of more than 52 weeks of full-time instruction which would be approved by the

commission, it is a good provision. When it would permit the commission in certain circumstances to waive the requirement that an adult must be out of school for at least 12 months before he can be enrolled in the occupational training course, I think it is a good thing. Some young people are becoming discouraged with the traditional school system. Even though they have pursued one course of study, they may find it unproductive and they should be encouraged, as the government is encouraging them by this program, to enter other training programs. I therefore think this provision is a good one.

• (2010)

The bill will allow the commission to negotiate payments to a province in connection with occupational training courses, on a fixed rate basis or a basis of costs incurred. The minister did not answer my question last night but I presume that it will allow municipal corporations to become beneficiaries for certain trades and occupations, and that training in them could be provided.

The bill provides a tremendous amount of flexibility for payment. I suspect that the minister is correct and as people are trained to work in the manufacturing industries and the resource industries, the need for their skills will grow.

In the area which I have the privilege to represent in this Parliament, employers in the electronics industry say that they cannot find enough trained people. A great number of people apply for jobs but the employers still cannot find enough who are trained. As a result, they advertise offshore, in the United Kingdom or wherever they can get trained workers. It is important that incentives be provided by the Government of Canada. If one believes that the role of government is to provide leadership, and I happen to believe that is the role of government, then there is a place for the government to take leadership. The effect of this will be magnified one hundredfold as we move into the new technological age.

Many of the occupations that young people have gone into in the past are becoming obsolete. For instance, secretaries are becoming obsolete—not completely redundant but in terms of many of the things they do, obsolete. The word processing machine has invaded the office. The computer has invaded the business world. Some people are required to run those things but not as many as in the past. New opportunities can be created but old opportunities are gone. Women are looking for new occupations, and that is a significant change. As wave upon wave of women enter the work force in the years ahead, they will demand educational facilities to equip them for jobs that were never considered available to them in the past.

I think it is absolutely important that there be an element of co-operation in the program as well as flexibility. One of the things that has distinguished a country like Japan or Germany from Canada is the fact that they seem to have a national commitment with respect to both the goals of industry and the goals of government. There appears to be a sense of partnership in all the levels of government, and in Germany in particular there are other levels of government. There is also the sense of partnership with the business community, with labour on the one hand, employees on the other, and that very important third party, namely, government. That is the kind of joint effort that is needed in Canada.

I hope that as this program develops, we recognize the importance of that joint commitment and the fact that labour, management and government are all part of that one thing, the Canadian industrial, resource, economic complex. All are in it together.

If there was ever an indication of the importance of that sense of togetherness and co-operation, it is in the area that I happen to represent. There are two real growth industries in Canada, in the energy field and in the high technology field. The second one is a very important one in this area.

I do not have to tell you, Mr. Speaker, that the trend to government spending restraint at all levels and the decentralization of the federal bureaucracy is of major concern to citizens of the national capital area. It has changed the thinking in this area, the thinking of business people, the thinking of politicians and, most important, it has changed the thinking of young people in the national capital area.

The government-stimulated growth that we took for granted over the years is not going to be with us in the future. The two major political parties of the country have decided that restraint, and one may define it differently from the other, is the order of the day. There will be no more untramelled growth.

In families where young people are looking forward to entering the work force, they find that the ranks of government have closed. Man years not used, are not filled. There is a view that it is important to preserve the positions of serving public servants.

Governments themselves are involved in retraining programs. As programs change and government initiatives change, public servants can be moved from one area to another within the public service. That means, however, that opportunities for people outside the public service have diminished. The trend of untrammelled growth and untrammelled opportunity is at an end, however. Even without this change which would have taken place in any event, forces are at work, aside from the predetermined decentralization, that are decentralizing the workplace.

I refer to advances in communications technology; the trend toward office automation; the advent of electronic mail and distributed data processing. All these are leading us to an era of a distributed workplace. All this is having a direct impact on this local area and, I dare say, on the areas of other members.

In the recent past, alternate sources of employment were not easy to find. This was traditionally a lumbering area rather than a manufacturing area, but that business has died out. There was once a very marked and strong forest products industry here and that has decreased as well. Over the past ten years, for some reason or other, another industry has developed. A high technology industry has developed in this part of

Canada which I think foreshadows at least the potential for tremendous growth. It began in the 1960s with the establishment of Bell-Northern Research Limited on the western outskirts of the city, in what was then the township of Nepean and is now the city of Nepean. Outside of government, it is the largest high technology employer in the area with a local work force of about 2,000 people. There are other firms as well. There is Mitel Corporation in telephone equipment; Digital Equipment of Canada Ltd. which makes mini computers, Gandalf Data Communications which makes digital and telephone equipment, Lumonics which is in the laser business, Leigh Instruments which is in avionics and Computing Devices Co. which makes electronics systems. There are many others in the service sector and computer business as well—software houses and consulting firms. All have grown out of the high technology industry.

It is the managers, the owners, the directors and the employees of those organizations who are telling us that they cannot get enough trained people. I think there is a challenge here that may affect other parts of Canada and other industries. But perhaps in the same way there is a challenge for business and governments at the provincial and the federal level to all come together.

• (2020)

Here in Ottawa we have a post-secondary institution in Algonquin College. If we are to meet the needs of our local industries from our own human resources, then the courses of study and the curriculae of that institution and our two universities have to be directed toward creating the solution to that problem. That scenario can be found in community after community across Canada. However, it will take a commitment to develop these courses.

I believe this program properly administered will be helpful in inducing employers and thereby young people who are looking for new challenges, as well as young people out of school looking for their very first challenge, to consider training under such programs. We have to get people into the technological trades which are so important to the development of these industries.

Technological industries are not just important to this area, they are important to the whole country. As I said at the outset, they are one of the two growth industries in Canada. With the proper amount of strategic planning, with the appropriate steps to encourage the right training programs, coupled with some decent incentives in the areas where we are strong, we will be able to contribute to their growth not only for the national good but for the good of our young people's future.

Our technology is the most promising in the world today. The hon. member for Hamilton Mountain (Mr. Deans) is the chairman of a committee of concerned members on matters of science and the development of it. I invite that committee when we return after our recess to visit the industries I have enumerated to talk with the administrators about the need for trained personnel and how that need is being met. These exciting, innovative companies rely as well on the federal government for technical support. Perhaps that is the reason why they have settled here.

I am rather pleased with the government of the province of Ontario for the way it has looked to this area. I know that all members in the House of Commons, even those sitting on the other side, regard the government of Ontario as a benevolent and far-seeing government. This part of the province is one of the areas where the government of Ontario would like to see development of a microelectronic development centre, according to statements made. In other words, it is important that we develop and build upon our strengths. It is important as well, when we remember the necessity for trained personnel, that one of the steps in the ladder to building the strengths will, of necessity, be the training and retraining of adults to fill the positions which good fortune and good management have made available, not just here, but throughout the country.

I will not take up much more time except to say that this bill is not the last word. It is the first word. But it is the first word worthy of support. It is recognition by the Government of Canada of the change in the requirements of the nation. I hope that it will not always be a piecemeal operation. We should not look at occupational training today without considering the necessity of a large industrial strategy.

The Minister of Industry, Trade and Commerce (Mr. Gray) is always talking about bringing forward an industrial strategy. Retraining will be part of that strategy. I would like to see that industrial strategy and where the emphasis is. The problems are immense. The responsibility on government is immense. The burden on Canada as a result of our involvement in GATT, the changes that will occur to our manufacturing complex over the next seven years, along with the necessity to meet those changes, will make the responsibility on government immense.

I do not want anyone to think that this is the last word. It is a small step but an important one in meeting the requirements of our country as we move into the latter part of the twentieth century and the beginning of the twenty-first century. Part of the proposition is that a country is best built on its strengths and not its weaknesses. With respect to that thrust, I say this is a sound beginning.

I want to add that the government should not ignore the findings of the parliamentary committee. It was an initiative taken from the administration of a former government and translated into action by this government in which it asks members of Parliament from all parties to look at employment opportunities in the eighties. This bill is part of the machinery. I hope there will be nothing in the minds of the minister or the government to indicate in any way that the report of that all-party committee will be ignored. This report will likely be unanimous. I hope this bill will be looked at from all points of view when that report is brought down.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, if still waters run deep, this is a debate which no doubt has gained much attention across the country. This is one of the most important debates we have had in this Parliament. It is not my

intention to delay the proceedings tonight. I believe the parliamentary secretary wants to speak, and I encourage him to respond to the points that have been made.

I shall take only a few moments to outline three points concerning this bill. I believe it is, as the hon. member for Nepean-Carleton (Mr. Baker) who preceded me has said, a way in which we look at our own future in Canada with respect to the development of our human resources. Not too many things that we have talked about in this Parliament are as important as the development of the people who are able to respond to the technological challenge that we all face in this changing society.

The hon. member for Wetaskiwin (Mr. Schellenberger) made quite a point in his intervention today, and it was also my understanding that the task force on Employment Opportunities for the '80s was about to bring in a report which would have taken a comprehensive look at the employment situation and the problems with respect to adjustment and the strategies necessary to that adjustment, as well as the training consequent to that.

Suddenly we find ourselves with a bill on which we are all in favour. I understand we will give it speedy passage at second reading because we are in favour of it. However, it does not do nearly enough to respond to the challenge of the technological age in which Canada has entered.

First I ask the parliamentary secretary to tell us in clear language why the government felt that it had to proceed with Bill C-67 before the task force report has been presented to the House. I believe that members of Parliament are to be encouraged, as I felt I was encouraged when dealing with the North-South task force report, a subject I will return to in a moment. If we are to be encouraged to take a good, hard, deep, comprehensive look at the problems that have been mandated to us for study, I do not believe that piecemeal legislation is an adequate response.

● (2030)

Second, I have to note with some irony that we are being asked to consider in Bill C-67 measures to help the technological training of people in the new society we have entered. At the same time another aspect of this government is driving out of Canada the very people who are technologically trained. They have been trained by many corporations and companies, particularly oil companies.

I would be remiss in my duty if I did not point out that the so-called energy policies of this government are having a deleterious effect not only on the national economy, but on the human capacity in my province to respond to the technological aids. It is driving people out of the country. It then comes along with piecemeal legislation and says, "Let us do a better job of training". There is a contradiction here in these two points.

I see I have the minister's attention. If he was here a moment ago, let me remind him that I made the point about the use of task forces. Conjoining my first point, I say to him very sincerely: if we are genuinely sincere in our efforts to help Canadians respond in the development of their own human capacity to plug into a technological society, the government has to speak with one voice and one concern. That would be met by parliamentary support.

I am not going to load on the minister tonight a great big harangue about the energy policy. He has heard plenty about it from my colleagues. I dare say he has heard about it from his own colleagues, probably in more private conversations. Nonetheless, I believe it proper to point out that if the government is serious about training people and helping people to respond to the need to find a place in the new technological society, we have to get together.

I now come to the principal point. I am glad I have the minister's attention. I assure him I will not belabour this point, but I do want him to hear me. One of the reasons that this is piecemeal legislation is that the government does not have an industrial adjustment policy.

I take the minister back to the North-South task force report which was tabled in the House on December 18, 1980, a report of some 38 recommendations. I am sure the minister is familiar with that report. I will focus on one recommendation in the trade section. In my judgment, this was the single most important recommendation in the trade section of the North-South task force report. It had to do with the recommendation that reads as follows:

> The task force recommends that the government immediately launch a major public inquiry of the industrial sectors that are likely to be at a long-term competitive disadvantage in relation to developing countries, with a view to adopting effective adjustment measures.

That is a lot of very heavy thinking. The task force said it is necessary for us to eliminate obsolete industrial capacities in our country in such a way as to encourage firms to invest in new and more promising areas or discouraging further investment in declining industries. The report goes on to read:

> Assistance given to individual firms should be aimed at improving their efficiency and over-all international competitiveness.

I emphasize that our concern and the long and objective study, and the hon. member for Labelle (Mr. Dupras) can attest to this, represented the thinking on all sides of the House. If we are going to be serious in our approach to the North-South question, and that takes us into the areas of finance, development assistance and energy—I leave all that aside for the moment—and in our trade relationships, we have to figure out a way to respond to what in international terms is called the international division of labour.

We now have 250 million people in the world who are unemployed or underemployed. Before the turn of the century, we will have 500 million people unemployed or underemployed. That is not all Canada's responsibility, but it is a subject to which Canada has to respond because these people are in countries that are industrializing and that need to find new markets. If we are going to have some sort of aid program or relationship with North-South, there has to be a quid pro quo. We have to find ways in which we can live together on this planet. One way to do that is not to move adversely against the textile industry in Canada.

I hope the minister will not interpret my argument as one that is adverse to the interests of the textile workers. No sane politician in this country will stand up and say we should fire the textile workers. Not at all. The North-South task force emphasized that we are not interested in taking action that would hurt the textile workers who are caught in a situation that is beyond their control. However, it is not beyond the control of the government to phase Canada into a situation through an industrial adjustment strategy that will respond to the needs of Canada to become more technologically oriented in our industrial capacity and to phase out low-level technology, as many countries of the world can fill that void. There is a balance that needs to be attained. The minister is probably quite anxious to see Canada participate in finding a way to achieve that balance.

The task force report certainly was not anything revolutionary. It is not a document that says we have to do something overnight. It stated:

> The task force recommends that the government immediately launch a major public inquiry of the industrial sectors that are likely to be at a long-term competitive disadvantage—

Naturally we had the textile industry in mind along with others. What did the government do? It gave a response to the task force report on June 15 during the foreign policy debate which was held for two days in this House. It was the official government response. Responding to that very recommendation, this is what the government said:

> The difficulties of the Canadian industrial sectors which are most affected by the competition of developing countries are well known to the government.

The government claims all this is well known.

> Measures to help the competitiveness of these Canadian industries in the present international trading environment are already being taken or in the course of being formulated. Public inquiries concerning these industries have recently been conducted by the textile and clothing board and the anti-dumping tribunal. The government will be taking decisions shortly.

In other words, the government is rejecting the recommendation of the task force for a major public inquiry that would last for some time and go into some real detail and depth on industrial adjustment, which we claim to be necessary, saying it has the answers. The government certainly does not have the answers or it would have been bringing forward some comprehensive legislation.

I listened to the minister's speech last night. It was well received in the House. I heard the minister say there were future plans, there is more coming down the line. This is something to get us started. That is why this bill is going to achieve reasonably easy passage. However, I am disappointed, not just personally but on behalf of industrial adjustment in the country, that the government has rejected that principal recommendation of the North-South task force report.

● (2040)

Subsequent to that, a few days after the government gave its official response, the Minister of Industry, Trade and Commerce (Mr. Gray) brought in a new textile policy which, to be proper, was a continuation of the present textile policy, which is a shoring up of a declining industry. He announced that $250 million would be allocated by the government over five years. The Minister of Employment and Immigration (Mr. Axworthy) has, of course, a share in this decision, since it is a government decision to put $250 million over five years to establish new employment in communities affected by industrial adjustment, to help displaced workers take advantage of new employment opportunities and to assist the modernization of viable firms in the textile industry. That is what the government is doing.

The people who have been following the government's textile policy and its response to the need for an industrial adjustment strategy that the hon. member for Nepean-Carleton was outlining a moment ago, all those people are very concerned today that the government is continuing to drift its way into this technological future that the minister has been trying to summon us into with Bill C-67.

I feel so strongly about the government's inadequate response to the North-South task force report and the government's announcement of the continuation of the textile policy that I am going to read some excerpts into the record tonight from an editorial from the Winnipeg *Free Press*. I do not think the minister will reject this out of hand because this is an editorial that appeared on June 23, 1981, under the heading "Propping up Textiles". The reason I am going to read some excerpts from this editorial into the record is that I believe the minister and his officials may very well want to take a good, hard look at the argumentation which has been put forward. Indeed, I would certainly recommend this argumentation to them.

So you will not think, Mr. Speaker, this is a partisan argument I am giving, let me say that I am giving the minister a reflection of what I think is a well-considered, objective view of the government's non-policy on industrial adjustment to which Bill C-67 only opens the door.

Let me quote the editorial as follows:

> Five years ago, when the federal government imposed strict and costly quotas on foreign imports of clothing and textiles, Canadians were assured that this was the last chance for the Canadian industry. It was to be given five years to modernize, to become efficient and capable of coping with foreign competition. After that, it was to be forced to stand on its own feet without further government help.
>
> The latest announcement at least abandons the pretence that protection for the industry is temporary. The government will continue the quotas for a further five years. It will provide the industry with $250 million to expand and to modernize. But this time there is no suggestion that, five years down the road, the industry will be any better placed to meet foreign competition than it is today. The clear assumption is that the Canadian textile industry will remain protected and subsidized, to the cost both of Canadian consumers and the people of the Third World, for all time to come.

I interject into my quotation from the Winnipeg *Free Press* at this moment to review for a minute with the minister the report of the North-South Institute which gave a very detailed report showing how the Canadian consumer is paying about $100 a year extra for clothing because of the protectionist policies the government is continuing. I resume my quotation from the Winnipeg *Free Press:*

The textile policy, of course, conflicts with two of the most ballyhooed aspects of the present government's policy—the national industrial strategy and the support of the new world economic order.

The industrial strategy is supposed to encourage a transfer of manpower and resources to the industries of the future. The textile policy, at a cost of a quarter of a billion dollars to the taxpayers and about $100 a year in higher costs for every Canadian family, encourages expansion of an industry which is largely unable to compete on the world scene and which will always pay relatively low wages.

Mr. Deputy Speaker: Order, please. With all due respect to the hon. member I would call to his attention the bill before us which is an act to amend the Adult Occupational Training Act. The hon. member appears to be straying from the subject matter of the bill.

Mr. Roche: As you know, sir, I never quarrel or argue with the judgments of the Chair. I have great respect, indeed, but I have been trying to advance an argument, that will only take a few more moments, as to why Bill C-67 is not meeting the very objective which it seeks to achieve, that is retraining for industrial adjustment. If you will bear with me, Mr. Speaker, I would ask for your indulgence, and I think I have the minister's attention and only intend to speak for a few more moments, but I think I am putting forth a case for the need for the government to take seriously an industrial adjustment policy that was laid out very clearly in the North-South task force report and which the government in its own response said it was not going to do. I think that is an argument to be presented with respect to Bill C-67. To continue this very short quotation, it reads:

There is an area in which Canadian textiles can compete in world terms and some Winnipeg firms are doing so successfully. But most of the industry survives only because of massive protection and continuing that protection into the indefinite future will only add one more roadblock to the modernization of the Canadian economy.

That, sir, is the modernization of the Canadian economy the minister stood in his place last night and said he wanted. I have said, and my colleagues who have spoken on this bill have said, including the hon. member for Nepean-Carleton and the hon. member for Wetaskiwin, that we are going to support Bill C-67, but we are calling to the attention of the government as surely as we can the inadequacies of Bill C-67 in attempting to meet the very challenge it opens up.

Resuming my quotation from the Winnipeg *Free Press,* and there is only a little bit more, it reads:

It is particularly ironic that the new quotas should be imposed just a month before Prime Minister Trudeau plays host to the leaders of the world's most economically advanced nations at the Ottawa Summit. Mr. Trudeau plans to lecture the world's leaders on the duty of the rich nations to help the countries of the Third World break out of the cycle of underdevelopment and poverty.

He will no doubt point out to them that fairer terms of trade are every bit as important as aid in achieving that end. He will presumably not point out that Canada's textile policy is the exact opposite of what he is preaching.

We have all said that fairer terms of trade are every bit as important as aid.

The article continues:

Even if he does not, the message may still get through. A week before the Ottawa Summit, a conference in Geneva will begin renegotiation of the international multifibre agreement.

That is also something we paid attention to, sir, in the North-South task force report.

The article continues:

Spokesmen for the textile-exporting nations of the Third World have already served notice that they will go to that meeting seeking better access to the markets of the economically-advanced nations.

I now come to the final paragraph of the Winnipeg *Free Press* editorial and I ask the minister to take note of this:

They will campaign against the restrictions imposed by the rich countries in North America and Europe against their exports. Canada can expect to come in for its share of criticism. It may be, as Employment Minister Lloyd Axworthy claims, that Canada's quotas are more lenient than those of most other industrialized nations. On the other hand, most of the other nations do not have leaders who continually proclaim their dedication to the interests of the Third World. We are not any worse than the others, just more hypocritical.

That is the end of the quotation and almost the end of the argumentation I wish to present to the House tonight since I said I did not wish to unduly delay the processing of this bill.

I ask you to consider, Mr. Speaker, that if we are to be serious on two counts, first that we are really going to modernize Canadian industry on behalf of Canadians—some very good speeches were made in the course of this debate about how Canadians coming on-stream today are going to have to change their careers two, three and four times in the period of their lifetime because of the speed of technological change today—if we are serious about meeting the needs of Canadians in a rapidly changing, evolving high technology society—my friend from Wetaskiwin pointed out the opening of the third facility in Alberta; we have one in northern Alberta, one in southern Alberta and now there is to be a third one to give technological training because of the demand for high technological skills—and if we are to be serious about responding to the needs of Canadians, we must have a comprehensive industrial adjustment strategy on which to build a continuing training program.

● (2050)

That is the first point I leave with the minister. The second is that if we are to be serious in our response to the North-South dialogue, if we are to be serious in responding to the international division of labour, if we are to be serious that Canada will play a proper role in international development in a world in which we are becoming technologically one society and to which Canada has to respond responsibly with a comprehensive and unified policy for international development where we do not hurt countries to which we are ostensibly giving aid and then refusing to buy products from them so they can industrialize in their own way because we are protecting low-level technological interests in our country, then I ask the minister to think seriously in his capacity to lead the government and this House with policies which will be truly aimed at job creation for Canadians and those people Canadians want to relate to in the interests of a sane world order.

Mr. Deputy Speaker: Before recognizing the minister who moved the motion, I must inform the House that if he speaks now he will close the debate on second reading.

Some hon. Members: Agreed.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I will not take much of the time of the House because I believe I was able to express my interest in the passage of this bill, and I appreciate the comments and good wishes of members opposite in enabling us to bring this to a reasonably speedy and effective conclusion on second reading.

I would just like to say that many of the comments we have heard in this debate have been particularly helpful and useful in setting out the proposals, solutions and ideas about how we can improve the performance of training skills in Canada. I think it also indicates something perhaps far more important and essential, which is that there is an underlying agreement, regardless of party, region or whatever, that this is an objective which must be served by this national government. The improvement of the skills and talents of Canadians to meet the demands of the labour market of the 1980s is something to which there is underlying acceptance and agreement from all members of this House.

While we may differ on the details and the particulars, and while we may have particular tangents we want to follow, it is very gratifying to me to realize as we move forward in this area that we at least enjoy the initial commitment of all members to pull together. Whether we call it an industrial strategy or a labour market strategy, there is a common acceptance of a need to change and reform our institutions of training, education and our efforts at job employment and adjustment so that we can match the skills and aptitudes of Canadians to the jobs of the future.

Many speakers in this debate have indicated they wish this bill had more detail, was broader in its range and comprehension. I, too, wish that, but the timing was not there because we were just not ready for that. Any good idea has a certain gestation period. I believe we are still at the beginning of that process. I hope members of this House will take the time to read the report tabled this afternoon which my department produced, which I believe put forward a lot of new information concerning the changes taking place in Canada's labour markets. It sets forward some ideas which I hope will stimulate their interest and reaction as to how we change policies in unemployment insurance, job training and job creation.

I also look forward, as do other members of this House, to the tabling of the report of the special parliamentary committee which has had a large scale consultation with the Canadian public about the need for changes, and which will provide a very important contribution to an understanding of this very important area. It is my hope, Mr. Speaker, that this will again take place in a short period of time. I want to assure hon. members, because many of them raised the question, that those reports are simply the opening of a debate, the commencement of consultation, and we do not intend to act in this very critical area without some degree of acceptance and accord on the part of trade unions, business organizations, members of Parliament and the provincial governments.

The bill itself is an indication of agreement by provincial governments on the measures in this bill, and that we did spend time talking to provincial governments. They do agree with these measures and are looking forward to them because they give us the ability to begin changing our adult occupational training programs. These programs cost the federal government close to $800 million a year, one of the major investments we make in economic and social development. The provinces want extension of the time in which they can provide educational training, they want the ability, when necessary, to sign agreements not only with provincial institutions but with employer groups, trade unions, native organizations and social agencies, which this bill will allow us to do.

So there are very important innovations in this bill which are the first step towards the kinds of changes members have asked for. However, I do want to assure them that this is really only the beginning. There is the old saying that a journey of 1,000 miles begins with a single step. Well, this is one step we are taking in this House tonight. It is certainly my hope that this step will be completed before we adjourn this House this summer, that we will have a complete package of legislation so as not to lose the time to begin putting in place some of the training initiatives required.

While this country goes on to debate many of the major policy changes which will take place over the following year, we can also start working in a practical and expedient way to make changes beginning this summer so we can start training hundreds and thousands of Canadians this fall for new opportunities in the rapidly changing industrial and economic landscape of Canada.

So I thank members for this debate. I hope they will continue to support us in the committee hearings and third reading so we can come forward with a package for which I believe all Canadians will applaud this Parliament because it is an important first step in an area where we all agree action is required.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

* * *

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO SEXUAL OFFENCES AND THE PROTECTION OF YOUNG PERSONS

Mr. Pinard (for Mr. Chrétien) moved that Bill C-53, an Act to amend the Criminal Code in relation to sexual offences and the protection of young persons and to amend certain other Acts in relation thereto or in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. Is the Minister of Justice (Mr. Chrétien) not here to introduce these amendments which have been called for by the government and by women of Canada? Is this the way this Parliament is being treated by the Minister of Justice?

Mr. Deputy Speaker: Order. The Parliamentary Secretary to the Minister of Justice (Mr. Irwin) has the floor.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, the Minister of Justice (Mr. Chrétien) was here earlier on this particular bill and we were prepared to speak to it last week. Unfortunately, the time was used up, probably well used up, by the opposition.

Some hon. Members: Oh, oh!

• (2100)

Mr. Irwin: It is a pleasure to make a few remarks with respect to Bill C-53. As its title indicates, it is an act to amend the Criminal Code in relation to sexual offences and the protection of young persons. The Royal Commission on the Status of Women, the Law Reform Commission of Canada and women's organizations across the country have all levelled criticism at the existing law. Many of these criticisms are justified, and it is hoped that not all but most of them will be met by Bill C-53.

To enhance the protection of children, the bill will create new offences against sexual exploitation of young people by adults and against child pornography. In addition, other changes will assist in prosecuting child abuse cases and cases of abduction of young children in custody disputes.

There are four broad principles I wish to address in this bill. First among them is the protection of the integrity of the person. The importance of this cannot be overstated. It is the very purpose for which men and women form governments and enact laws. The principle simply means that every person in our society is entitled to live free from violence and, as much as possible, free from the fear of violence. This clearly implies that no one should be compelled to engage in sexual activity without his or her consent.

The second principle is the protection of children and special groups. The need for this is obvious. Children clearly require protection from the physical and emotional consequences of activities with which they cannot properly deal.

Third, there is a duty upon government to safeguard public decency. Society has the right to expect laws which protect its members from other individuals and to safeguard its public morals.

The fourth broad principle is also of great importance. It is also properly the subject of increasing attention today, that is, the elimination of sexual discrimination in criminal law. Simple equity demands this. There are many rights of those who are charged, and hopefully they will be enshrined in the Constitution. But hand in hand with the rights of the accused must go the protection of those who are victims. Hopefully this bill will strike a balance in that particular area.

In the area of sexual offences, a number of changes are necessary. Above all, the law must recognize the element of violence. At present rape and indecent assault are listed in the Criminal Code under the part entitled "Sexual Offences, Public Morals and Disorderly Conduct". Bill C-53 would place the new crimes replacing rape and indecent assault in the part of the code dealing with offences against person and reputation. This change would separate violent sexual attacks from the concept of sexual morality. Furthermore—and we have received many submissions on this particular point—the bill would eliminate the stigma attached to terms such as "indecent assault" and "rape". There would be two new offences. The first would be sexual assault and the second would be aggravated sexual assault. Using a weapon or causing serious bodily harm would become aggravated sexual assault.

It would no longer be necessary to prove penetration. That requirement in section 143 of the Criminal Code has caused much anguish and embarrassment to complainants. It has done little, if anything, to protect these victims. Moreover, it has unduly complicated and prolonged trial. Also it has created an anomaly in the law. Some brutal and injurious sexual attacks not involving penetration have been charged, out of necessity, as the lesser offence of indecent assault. The Law Reform Commission of Canada pointed out in its report on sexual offences tabled in Parliament in November 1978:

> To retain penetration as a distinct element of one of the offences would be to emphasize the sexual character of the proscribed behaviour rather than to stress the aspect of violence or threatened violence.

I should like to add that most women's organizations in Canada strongly recommend the elimination of this outdated requirement. However, upon conviction the judge will be able to and should consider the nature and degree of violence when sentencing the accused.

Next I should like to deal with the question of consent as it is covered by Bill C-53. The question of consent has always been an essential element in the offence of rape. It would remain a central requirement in the new law of "sexual assault". The bill specifies the following:

> No consent is obtained where the complainant submits or does not resist by reason of (a) the application of force; (b) threats or fear of the application of force; (c) fraud; or (d) the exercise of authority.

If an accused claimed that the complainant consented, the jury would have to be told to consider whether or not his claim is reasonable. This is consistent with the Supreme Court decision in the Pappajohn case.

Also the bill deals with spousal immunity. Affected by this definition of consent will be the concept of spousal immunity. At present that immunity prevents a husband from being charged with raping his wife on the basis that marriage entitles him to intercourse with or without consent. This is something I would have thought would have disappeared a hundred years ago. Some concern has been expressed about the difficulty of proving lack of consent to sexual relations between married persons. Some also claim that removing the immunity would involve undue interference in the private lives of married persons.

However, proving lack of consent will remain a key factor in all cases where the parties have had prior sexual relationship, married or not. It is strange in this day and age that a person involved in a common law relationship, such as a common law wife, has the right to charge her common law husband with rape. Yet a married person who is separated and awaiting a decree nisi in a divorce action does not have the same right. This immunity from being prosecuted for rape persists. It should be noted that under the present law forced intercourse or assault within marriage can constitute grounds for divorce. There is no evidence in the Divorce Act that this involves an abuse of the law or its process. Consequently, by abolishing spousal immunity the government would eliminate this discrimination against legally married women. Equal protection under the law would be granted to all persons. Married women would be given greater protection of their personal integrity than the law now provides.

The matter of consent is very complex. As the law of rape has developed, so have certain rules of evidence relating to the question of consent. I refer in particular to the evidence concerning the character of the complainant and the doctrine of recent complaint. I will not burden hon. members with the history of these doctrines and laws. I should like to deal with the law as it is today. The judgment of the Supreme Court of Canada in the Forsythe case is a final ruling on procedure whereby an accused may cross-examine a complainant on her previous sexual history and the extent to which the cross-examination may go.

• (2110)

Hon. members will recall that in 1976, Parliament enacted Section 142 of the Criminal Code to restrict this type of questioning of the complainant. As the court pointed out, what we did at the time was to alleviate the trauma, humiliation and embarrassment of the complainant. However, at the same time, the court has ruled that in some cases the accused is still entitled to challenge the character of the complainant by referring to her previous sexual activities with others. In a trial, these questions attempt to blacken the character and are very rarely relevant to the issue at trial.

What is the issue in a rape trial? The issue is: did the accused commit the alleged offence against the complainant beyond a reasonable doubt. I would add that those interested in law reform have objected strongly to this questioning of a complainant's character.

The proposed amendments would clarify Parliament's intent. Simply put, evidence of the complainant's character would only be admissible in exceptional cases. At a closed hearing a judge would have to determine whether the accused had personal knowledge of the complainant's previous sexual character which led him to believe that she consented. That is a very strict and high standard, one which I hope would only be invoked rarely.

Then there is the doctrine of recent complaint. What is the doctrine of recent complaint? I would suggest that it is almost as old as spousal immunity. It goes back to the days when the complainant had to raise a hue and cry when she was raped. Failure to complain was held against her. There are many reasons why a woman who has been sexually assaulted would not raise this hue and cry. The foremost reason would be that she would not want to go through a trial, nor would she want people to know. We have looked at the doctrine of recent complaint as an evidenciary rule, and it will be abolished if Bill C-53 is enacted and rightly so.

I wish to make two other points about the proposed changes before moving on to the very important question of protecting children from sexual abuse and exploitation. First, there is the problem of corroboration. The present law requires that the complainant's testimony—and now I am talking about young children—must be corroborated by other evidence before an accused can be convicted. This rule has undergone various statutory changes and is very confusing. Under the proposals before you, Mr. Speaker, corroboration will no longer be required. There is no reason why the law should remain confused in this respect. Sexual offences should be treated the same as other offences.

Second, there is the problem of trial publicity, which is probably one of the most serious problems in sexual, indecent assault and rape cases. At present, in the case of rape or indecent assault, the prosecutor can request the judge to order that the complainant's identity and evidence not be published. Under the proposals before the House now, if a request is made by the prosecution or by the complainant, the court must bar publication of any information which could disclose the identity of the complainant. There is no discretion; once the judge is asked to ban publication he must comply. However, evidence which does not identify the complainant in any way could be published. Along with this provision there is still a discretionary role of the judge to forbid any evidence being published. It is an extra safeguard on what is already in existence.

I would now like to deal with the proposals relating to the protection of children. In February of this year the Minister of Justice announced that the Minister of National Health and Welfare (Miss Bégin) and he had appointed a committee under the direction of Dr. Robin F. Badgley of the University of Toronto to undertake a very substantial study in the area of sexual abuse and exploitation of children. I might add at this point that further legislation may come before the House after that committee reports. The present law relating to sexual offences against children does not adequately deal with the situation to which young people are exposed. It is characterized by no longer relevant distinctions between the sexes. For instance, there is not equal protection to boys and girls. There are terms like "of previously chaste character", which few judges, let alone lawyers, complainants or prosecutors understand. There is also the term "more to blame", which is difficult to understand. What is done on the "more to blame" test? Are the number of beers which the boy gives the girl tallied up? Or is how much marijuana she smoked taken into account, how much she borrowed, on who went where and did what to whom? It is a very difficult test and I do not know if

this legislation comes to grips with it. I think it is something which the committee will have to look into. We are still into the realm of definition, but possibly at the committee level that particular definition can be restructured and looked at again. But something must be done about it.

It is unnecessary to list the relevant provisions of the Criminal Code concerning sexual offences against children. Rather, I will outline briefly the changes we propose. First, the new law would prohibit any person from engaging in sexual misconduct with a child of either sex who is under the age of 14 years, whether or not there is consent. In other words, the infant cannot give consent. It will not be a defence for the accused to state that he or she believed that at the time the child was over the age of 14 years.

Second, anyone who engages in sexual misconduct with a person between 14 and 16 years of age, regardless of the sex of the complainant, will be guilty of an offence. However, the accused could not be found guilty if he or she was under the age of 16 or was less than three years older than the complainant. The best example I can give, where consent is involved, concerns a girl who is just under 16 years of age while the boy is over 17 but under 18 years of age. The girl could be 15 and the boy 17. In that case, if there is consent then there is no offence. Likewise, an accused would not be convicted if there was an honest belief that the complainant was 16 years of age or more, or if the accused was less responsible than the complainant. Any parent or guardian having lawful care or charge of, or exercising authority over, a person under 16 years of age, engaging in sexual misconduct with such a child, would be guilty of an offence.

As members of the Standing Committee on Justice and Legal Affairs and the House recognized in 1978, sexual exploitation of children for purposes of child pornography is a serious problem. Therefore, a new offence is proposed aimed at stopping sexual exploitation of children under the age of 16. In this bill those who induce, coerce, or agree to use a person of either sex under the age of 16 for purposes of producing visual representations of sexually explicit conduct will be dealt with harshly. This would also include those who print, reproduce, publish, distribute, circulate, sell, offer to sell, receive for sale, advertise, or expose to public view such representations. In other words, anyone who would profit from this filth will be dealt with harshly. Anyone found guilty of any of these acts, or of possessing such material for the purpose of committing any of these acts, would be punished by imprisonment of up to five years. In addition, as is the case at present, the illegal material would be forfeited to the Crown.

[*Translation*]

I sincerely believe that the proposed legislation with regard to sexual offences would meet the objectives I have just indicated, namely the protection of personal integrity and of children, public decency and even elimination of sexual discrimination. Also, it would clarify and simplify the work of police forces, the courts as well as of juries. I therefore recommend that the House pass Bill C-53 on second reading.

[*English*]

I would like to conclude by urging hon. members to recognize the importance of immediately referring this bill to committee. This will allow for a full discussion by hon. members and for representation by interested groups in Canada which have, for many years, lobbied and presented excellent briefs to make these amendments. I appreciate the interest which the public is taking in these legislative proposals. It is my hope that those who have views to express on them will seize this opportunity to make them known to the committee.

• (2120)

Mr. Baker (Nepean-Carleton): Where is the minister?

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I believe there has been consultation between the leaders. I ask for the unanimous consent of this House to return to the item Tabling of reports of standing and special committees in order to table the sixth, seventh and eighth reports of the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, there has been that consultation, and we understand the nature of what the hon. gentleman wishes to do as chairman of the committee, and we are prepared to consent.

Mr. Knowles: So do we.

[*Translation*]

The Acting Speaker (Mr. Ethier): Is there agreement to return to tabling of reports from standing and special committees?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour of tabling, in both official languages, the sixth, seventh, and eighth reports of the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*Editor's Note: For text of the above report, see today's Votes and Proceedings.*]

[*English*]

CONCURRENCE IN SIXTH, SEVENTH AND EIGHTH REPORTS OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, with the consent of the House, I move, seconded by the hon. member for Portneuf (Mr. Dion) that the reports I have just presented be concurred in.

The Acting Speaker (Mr. Ethier): Order, please. The House has heard the terms of the motion. Is it agreed and so ordered?

Some hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO SEXUAL OFFENCES AND THE PROTECTION OF YOUNG PERSONS

The House resumed consideration of the motion of Mr. Chrétien that Bill C-53, an Act to amend the Criminal Code in relation to sexual offences and the protection of young persons and to amend certain other Acts in relation thereto or in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise to speak on this particular important piece of legislation. First I want to address a few remarks to the House. When I am saying these things, I do not want the parliamentary secretary to take any personal offence over his participation in this debate. However, I find it passing strange that this particularly important piece of legislation which has been brought before the House and which has received much attention from very significant groups in our country, is not important enough in terms of the priority of the Minister of Justice (Mr. Chrétien), who has responsibility in this area, for his own personal attendance in this House in order to introduce this legislation. I find it absolutely unacceptable that the minister is not here, for whatever reason, having regard to the fact that the government is in charge and responsible for the timetable of this House. He is not here to introduce, speak on, participate and be in the House with respect to this very important legislation. If he is not really interested in the job, he should submit his resignation to the Prime Minister (Mr. Trudeau).

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: This particular legislation is so important that I think hon. members of this House will understand the intensity of my feeling when I say to the Minister of Justice, wherever he may be and whatever he is doing, that if he thinks so little of this particular bill with amendments to the Criminal Code, important as they are, that he cannot find time in his schedule to come forward and speak on it at the time it is brought forward on the initial occasion—even though it is late in the night, even though it follows a number of other pieces of legislation which have been brought forward by the government which, in its own wisdom and judgment, considers it to be less important than such bills as the bill dealing with diplomatic immunity, and bills with respect to the measurement of gold in this country—if that is the attitude the minister takes, then I think it is about time that he decided whether he is really interested in his job, and if not, he should turn it over to someone who is, because that has been the history of this particular piece of legislation.

The priority this government has afforded this legislation is now demonstrated by the absence of the minister in this particular debate. What are the circumstances? This matter has been, in fact, under consideration by the government and previous administrations. It is not a completely novel legislative endeavour on the part of this government. The fact of the matter is that while there have been calls on the government to bring forward the legislation for debate on the floor of the House of Commons—and my House leader has raised this matter in the course of House leaders discussions, asking when the matter will come forward—there have always been other matters with respect to government business which seemed to be more appropriate.

Finally, late at night in the dying days of the session, the government sees fit to bring forward this particular bill. I want the people of Canada to know exactly what we face as far as this particular legislation is concerned. What we face is the prospect of going through this kind of limited debate on the floor of the House of Commons and the matter not surfacing again before this session is ended.

After all, as Your Honour well knows, we have now run since April of 1980 a session which originated after the last election. The custom, tradition and expectation is that there will be a new Speech from the Throne and a new session of Parliament in each year. There is now a lot of speculation in the press that by next fall, after the summer recess, the government will consider its priorities, economically, socially and otherwise, and will prepare and present to the House, very early after our return which will take place some time after Thanksgiving according to the government House leader, a new Speech from the Throne. The effect of that will be that all legislation which is on the Order Paper will then be null and void and we will have to start again from scratch. That will be as a consequence of the delay on the part of the government.

In any event, if we get the bill through now, the House will adjourn within a matter of days; I do not know exactly when. The Prime Minister has not indicated that it will be this Friday, but chances are that it will be either this Friday or possibly a few days into the next week.

An hon. Member: I hope you are right.

Mr. Hnatyshyn: I am not commenting on it. I have indicated today that I for one think that Parliament has a responsibil-

ity to act on a number of important issues; and the postal dispute is one of them.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I do not think we should be recessing this House when the people of Canada are under the burden of carrying a postal strike on their backs. I also think that there are a lot of other important matters which we should possibly consider bringing before this House. Also the government should consider bringing a new budget before the House. I could go on for a long time about the number of things that I think this House of Commons could usefully be doing. However, the reality is that the recess is upon us.

• (2130)

The government House leader has indicated that he will be putting down the motion. This bill will be referred to the Standing Committee on Justice and Legal Affairs which is now considering in some detail and depth the freedom of information legislation. My colleagues will know that that is an important bill and that much good and hard work has been done by the committee to make it the best possible legislation available to the people of Canada. All this takes time, and members are working very hard to try to get the bill into the best possible form. Who knows how long that will take?

Mrs. Hervieux-Payette: A thousand years.

Mr. Hnatyshyn: The Parliamentary Secretary to the Solicitor General (Mrs. Hervieux-Payette) says that it may take some time—a year, she says. I have no knowledge of whether it will take that long but I can say that members of this party are very serious about that bill and are all acting in a responsible manner to try to get the bill through committee. A great number of amendments have been put forward by the government and opposition parties with a view to improving the bill, and they require careful consideration.

Another important social bill must be given serious consideration, one initiated when this party was in government, the Young Offenders Act.

I just want members of the government to understand where all this puts the bill before us, in terms of priority. The committee also has a bill which deals with diplomatic immunity. All these items must be disposed of before the committee can deal with the bill before us which will require the most careful consideration.

In his introductory remarks, the parliamentary secretary indicated areas about which he had some apprehension and which he said the government will want to examine carefully.

Where is the Minister of Justice, Mr. Speaker? Why is he not here to address this legislation? Is he in Toronto laying charges in the uranium cartel prosecutions? There must be some reason why he is not here. Obviously he was sloughing off that prospect when he was in the House earlier today. Who knows where he is.

An hon. Member: Perhaps he is in Spadina.

Mr. Hnatyshyn: Is he at the Tokyo restaurant in Vancouver? I want to know where the Minister of Justice is. I am very concerned that the minister is not here to lead off the debate on this very important piece of legislation and to tell the people of Canada what his priority is. As spokesman for the government he should be here. Parliamentary secretaries cannot speak on behalf of the government. They simply read the notes prepared by departmental officials. That is their function. The government is represented by a minister of the Crown.

An hon. Member: Perhaps he has been appointed to the Senate.

Mr. Hnatyshyn: No matter what the reason is, Mr. Speaker, I am terribly disappointed that the minister saw fit to be absent when such an important piece of legislation is introduced.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, I know that the heckling and harping from the government benches is an indication of their acute embarrassment that the minister has neglected or refused to appear.

I want to deal with the provisions of this bill because I have a number of observations with respect to it which I think are appropriate.

This bill is the latest development in a full decade of extended discussions about reform of the law relating to sexual offences. It is over ten years since the Royal Commission on the Status of Women suggested changes be made in the law in this area. It is three years—

Mr. Peterson: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, if the hon. member for Willowdale (Mr. Peterson) spoke from anywhere but the seat of his pants, he might be noticed more often, not only in the House but outside the House. I know that members have been referred to as nobodies 50 yards from Parliament Hill, but the member for Willowdale is a nobody on Parliament Hill.

It is now over three years since the Hon. Ron Basford, when he was minister of justice, introduced Bill C-52 which proposed substantial revisions to the relevant sections of the legislation. It was introduced during the third session of the thirtieth Parliament and was not reintroduced in ensuing sessions.

Under the bill, sexual attacks were to be classified as two offences, indecent assault punishable by a maximum of 14 years imprisonment, and aggravated indecent assault, punishable by a maximum of life imprisonment.

In November, 1978 the Law Reform Commission of Canada made its contribution to the debate on the issue of revising the law relating to sexual offences. In passing, I would point out that a very strange situation arose because of the government's introduction of Bill C-52 in May 1978. The government knew that in 1978, the Law Reform Commission's recommendations were forthcoming. It knew, of course, what the very function

of the commission was, and is; that is, to provide advice on questions of reform. Yet the government went ahead and introduced major revisions to the sexual offences provisions in the code only a few months before the commission was to report. That ridiculous turn of events is an interesting footnote to this debate.

The Commission's report recommended that reform be based on three fundamental principles: protecting the integrity of the person, protecting children and special groups, and safeguarding public decency.

It suggested that sexual assault be divided into two new categories, sexual interference and sexual aggression, the latter offence, needless to say, being the more serious of the two.

The commission also dealt with offences relating to sexual activities with children, with persons in positions of dependence. In addition, it made recommendations relating to spousal immunity for rape, soliciting and loitering and wandering in public places.

The government's next move, subsequent to allowing Bill C-52 to die on the order paper, came in the Speech from the Throne in April, 1980, that ancient document of which I spoke at the outset of my remarks. That speech indicated that the serious problem of violence against women would be addressed in amendments to the Criminal Code. As a result of that promise, the Minister of Justice introduced this bill on Janaury 12 of this year.

Bill C-53 is, without question, a very significant and very important piece of legislation. It has become known as the sexual offences bill. It must be borne in mind at the outset, however, that it is more than just a bill relating to sexual offences per se. It covers a wide range of issues. Not only does it concern issues relating to the substantive definition of sexual offences in the code, but it proposes changes in the law of evidence; it deals with the exploitation of young persons for pornographic purposes; it redefines assault; it proposes changes in the law affecting kidnapping, and it deals very briefly with some aspects of prostitution.

The bill has the appearance of being a kind of sausage factory production by the government. It got so far with respect to certain issues in amending the Criminal Code but did not consider some of the important issues that face us today with respect to sexual offences.

One area which my colleagues and I want to address is the absence of a definitive provision in the code or statement by the government about the problem of prostitution. This is an important problem in many areas of our country, particularly urban areas. It has been avoided except for a brief reference.

We must bear in mind the omnibus nature of Bill C-53 because there is more to it than the provisions which deal with sexual offences. Bill C-53 is an important legislative initiative. It deals with some of the more serious crimes in our society. The issue it raises relate to the most intimate and sensitive aspects of human relationships. It must be considered carefully and deliberately by this House and the committee.

I have a number of comments to make about the legislation and I should like to arrange them in several different groups or categories.

The first area of concern is offences relating to sexual relations with consenting young people. We all know that as it now stands, the Criminal Code defines several offences based on non-consensual sexual contact. Rape and sexual assault are, of course, the two examples of this type of offence that immediately come to mind. There are a number of other offences which deal with sexual relations that are essentially consensual in nature. Most of these offences are concerned with sexual activity involving young persons. There is a rather bewildering array of offences of this kind.

• (2140)

Section 146(1) of the code absolutely prohibits sexual intercourse with a woman under the age of 14. Section 146(2) prohibits sexual intercourse with a female of previously chaste character aged 14 to 16. Under Section 146(2), an accused may be found not guilty if the young woman was "more to blame" than the male for the sexual contact. Section 151 of the code presently makes it an offence to seduce a woman of previously chaste character aged 16 to 18. Section 152 states that it is a criminal offence to seduce a woman under 21 years of age under promise of marriage.

Bill C-53 promises to wipe away these existing categories of offences and to replace them with a much simplified regime.

With your permission, Mr. Speaker, I shall read two sections of Bill C-53 that it is proposed should, in effect, replace the present code provisions I have just summarized. There is no proper way to analyse these provisions without first looking at them in some detail. The bill contains two sections that deal with sexual exploitation of young persons. On page 3 of the bill section 166, subsection (1) reads:

166. (1) Every one who engages in or procures sexual misconduct with or by a person who

(a) is not his spouse, and

(b) is under the age of fourteen years, is guilty of an indictable offence and is liable to imprisonment for ten years.

(2) No one shall be found guilty of an offence under subsection (1) if he establishes that

(a) at the time the sexual misconduct took place, he was under fourteen years of age; or

(b) he is less than three years older than the complainant.

(3) Where an accused is charged with an offence under subsection (1), it is not a defence to the charge that the complainant consented to the sexual misconduct or that the accused believed at the time the sexual misconduct took place that the complainant was fourteen years of age or more.

Clause 167 reads as follows:

167. (1) Every one who engages in or procures sexual misconduct with or by a person who

(a) is not his spouse, and

(b) is fourteen years of age or more and is under the age of sixteen years, is guilty of an indictable offence and is liable to imprisonment for five years.

(2) No one shall be found guilty of an offence under subsection (1) if he establishes that

(a) at the time the sexual misconduct took place he was under sixteen years of age;

(b) he is less than three years older than the complainant;

(c) he believed at the time the sexual misconduct took place that the complainant was sixteen years of age or more; or

(d) he is less responsible than the complainant for the sexual misconduct that took place.

There are a number of aspects of those sections that seem clearly meritorious. First, they provide equal protection to both males and females. The code as it now stands reflects nineteenth century attitudes that young women are passive and must be protected from males and that young boys can or should protect themselves. I think we all welcome changes which bring the law into the twentieth century and puts persons of both sexes on an equal footing.

The bill can also be commended, I think, for undertaking to repeal some of the anachronisms that presently haunt the law in this area. I think now of present Section 152 which makes it an offence to seduce a woman under promise of marriage, and Section 154 which prohibits "illicite intercourse" with the captain of a vessel. Again, such provisions reflect the societal values that held sway in the nineteenth century. They are now out of synch with contemporary thinking in Canada and should be modernized. These laws are never enforced, and the rule of law can only suffer if they are allowed to sit on the books.

One can also argue that this bill deserves commendation for the simple reason that it simplifies the law. As my earlier review of the present Criminal Code revealed, there is currently a rather confusing and complex series of offences of which citizens must be aware. Many people argue that simplicity in the law is itself a virtue.

Bill C-53 also abandons the difficult concept of "previously chaste character". For the benefit of the parliamentary secretary I point out that "chaste" is spelled c-h-a-s-t-e and not c-h-a-s-e-d. It is a troublesome phrase that is now found in Sections 146(2) and 151 of the code.

In addition, these two sections make some attempt to be sensitive to what might be called the normal sexual activities of teenagers. Such provisions are found in Sections 166(2) and 167(2) as proposed in the bill.

Finally the bill takes what is, in principle, a very sound approach in that it endeavours to protect young persons not simply from sexual intercourse, as is the case with the present code but also to protect them from other forms of sexual interference. The bill prohibits what is termed "sexual misconduct", a term about which I shall have more to say shortly.

On the negative side of the ledger there are some very significant questions and problems that must be addressed concerning new clauses 166 and 167 proposed in the bill. Perhaps the most troublesome aspect of these sections is the use of the term "sexual misconduct," to which I have just referred. Sexual misconduct is a term of imprecision. It carries with it the connotation that there is some sexual activity that is not misconduct. This notion is reinforced if one looks at what would become new Section 168(2). It refers to sexually explicit conduct. It is by no means clear where misconduct begins and conduct ends. Is holding hands sexual misconduct? What about a kiss, necking or fondling a breast? The criminal law is supposed to be characterized by precision and clear meaning. It is patently unjust to expose people to criminal liability when the nature of that liability cannot be readily determined in advance.

We in this House must look very carefully at the term "sexual misconduct" as it is employed in Bill C-53. We must investigate alternative wordings. The Law Reform Commission for example, defined offences in its report in terms of "touching for a sexual purpose". There are many other possibilities that need to be considered. I know, for example, that one of the reasons proposed by the minister in terms of changes in the Criminal Code involve the fact that the government wanted to get away from imprecision in terms of definition.

In December, 1980 the minister attempted for the first time to table this bill in the House of Commons, and was prevented by lack of unanimous consent, but I will not go further into that. Some other members may have observations to make with respect to the reason why they want to withhold their consent.

On page 13 of the information paper set up by the minister there is a criticism of the imprecision of some of the definitions in the existing code and suggestions that clear definition would be appropriate. There is some concern with the word "indecent". It points out in this paper that "indecent" involves judgments as to what is decent. I suggest to the parliamentary secretary, to members of the government and to the Minister of Justice, whoever he is and wherever he is, that he consider whether the definition of the term "sexual misconduct" should not be more clearly set forth in the Criminal Code.

There are other aspects of those provisions of the bill with which I am now dealing that deserve careful study. For example, certain age groups, and in particular persons aged 16 to 18, would no longer receive any special protection from sexual exploitation. One can argue that in today's society it is not necessary to extend special provisions beyond the age of 16. However, that is certainly a proposition that is open to challenge. We must look at the issue very thoroughly.

Another feature of Sections 166 and 167 that needs thought and investigation is the system of exemptions from liability based on the age of the accused or the age difference between the accused and the other party to the sexual activity.

Under the terms of Section 166, for example, conceivably, a person aged 13 could initiate sexual relations with a person much younger, a young child, and not be subject to any prosecution at all under the provisions of this particular legislation.

• (2150)

While I understand the purpose and purport of the legislation, these provisions must be looked at very thoroughly by the committee. This is not going to be an easy bill to get through. There are a number of provisions which deal with a number of aspects; of sexual offences, other criminal offences and other considerations. The minister decided in his wisdom to bring forward an omnibus bill which includes all of these matters.

One of the difficulties is that while there are particular issues to be dealt with, it may have been advisable for the minister, if he had given consideration to this legislation in advance, to divide the bill into separate sections dealing with different subject matters. We could then have dealt with it more expeditiously. That was not his decision. He decided to proceed on the basis of an omnibus bill. Knowing how things operate in this House, I can well understand that there may be something more to it than an interest in getting a bill through.

The penalties provided for in the bill also have to be looked at closely. For example, the sanction provided for a violation of Section 166(1) is ten years. The Law Reform Commission recommended a five-year term for an equivalent office. Under the code as it stands today, the penalty is life imprisonment. It will be necessary to look at the very substantial divergence in those options and to consider what is the appropriate sentence with respect to this offence.

Another aspect of Section 166 that I consider worthy of further discussion concerns the fact that it is an offence of absolute prohibition if a person has sexual relations with another person who is under age 14. It matters not that there was a belief that the young person was over 14. Indeed, under the terms of the bill as it now reads, the young person could consciously mislead the party and still that first party would have no answer to a charge under section 166.

Provisions of strict liability such as this do not sit well with the basic tenets of our criminal law system. People are supposed to be punished, particularly so for serious offences, only when they intended to commit a wrong. Therefore, I would suggest that we look at the Law Reform Commission's proposal that a defence of "reasonable diligence" be available. The accused would be found not guilty when, to use the commission's words, "After the exercise of reasonable diligence, proof of which lies upon him, he believed at the time of the offence the person to be older than the age specified".

Finally, I want to refer to Section 167(2)(*c*) which does provide for a defence when the accused "believed at the time the sexual misconduct took place that the complainant was 16 years of age or more". I simply point out that the wording used in the subsection leaves the door open to another Pappajohn controversy. The bill does not indicate whether such belief need only be honest or whether it must be honest and reasonably based.

Let me now turn to those parts of Bill C-53 which deal with non-consensual sexual relations, the sexual assault provisions. This is of some particular interest across the country. It is this aspect of the bill that is generating the most press coverage, the most general interest, especially from the women's groups across the country.

There is a very good reason for this concern and interest that has been expressed both publicly and by interest groups across this country. Rape and sexual assault are terrible crimes and are mournfully widespread. It has become a part of our way of life unfortunately that women must at all times take precautions against sexual assaults. They must be careful when at home and when in public. They must be alert and wary at all times. Because males do not have to live with what is in many cases a very real blanket of fear, it is a state of affairs that is often overlooked.

Let me quote very briefly from a fact sheet prepared by the Canadian Advisory Council on the Status of Women. The fact sheet, entitled "Rape and Sexual Assault", indicates that in 1979 alone there were 3,388 rapes reported to police in Canada. Studies, by the way, show that only one in every eight rapes is ever reported. The advisory council says that a woman is raped every 29 minutes in Canada and a woman is sexually assaulted every six minutes. The other great issue surrounding the question of sexual assaults is, of course, the treatment that complainants receive at the hands of police and in the courts. Trials are genuine ordeals for complainants. We often hear of rape trials described as proceedings that actually put the complainant herself on trial.

This bill proposes a major and fundamental reformulation of the sexual offences in the Criminal Code. The code at present contains Section 143, the section which defines rape, Section 149, indecent assault on a female and Section 156, indecent assault on a male. There are also sections dealing with bestiality and buggery.

Bill C-53 would replace these sections with a simplified regime composed of two offences; sexual assault and aggravated sexual assault. To accomplish this, the bill would create new Sections 246.1 and 246.2. These would read as follows:

> 246.1 Every one who commits a sexual assault is guilty of an indictable offence and is liable to imprisonment for ten years.
>
> 246.2 (1) Every one commits an aggravated sexual assault who
>
> (a) uses a weapon during or at the time he commits a sexual assault; or
>
> (b) commits a sexual assault that causes seriously bodily harm.
>
> (2) Everyone who commits an aggravated sexual assault is guilty of an indictable offence and is liable to imprisonment for life.

The Minister of Justice states in his information paper that in making these changes "the law would focus on the violent nature of sexual crimes." The orientation of the offence would certainly be changed because of the fact that penetration, an element of rape that must now be proven, would not need to be proven to establish an offence of sexual assault or aggravated sexual assault. Penetration is not a required element of either offence.

However, we must not be too confident that the amendments proposed in this bill will mean that the sexual element of the crime will be ignored. Complainants will still have to explain specific incidents. Penetration and other details of an intimate nature will be highly relevant to the charge. I would expect that largely the same evidence would be led under the proposals contained in this bill. I say this simply as a cautionary note. It is my personal view that it is wise and advisable for the law to recognize that sexual assaults are crimes of violence and that their sexual character is a secondary feature.

There are some aspects of proposed Sections 246.1 and 246.2 that we need to look at closely. First and foremost is the notion of "sexual assault". While the concept of "assault" per se is defined in Clause 18 of the bill, sexual assault is not defined.

The Acting Speaker (Mr. Ethier): Order, please.

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I note that you are about to call it ten o'clock. Before you do so, I wonder if I might direct a question to the government House leader with respect to the business that we will be dealing with tomorrow. I wonder if he could be specific with respect to the bills he intends to call tomorrow.

Mr. Pinard: Yes, Mr. Speaker. Earlier this evening I spoke to the House leaders separately about the business for tomorrow. I indicated to them that we will deal with Bills S-10, C-79, C-81 and, if there is time, Bill C-14. We had a meeting at which we talked about those bills at the beginning of this week. It looks as if we will be able to get three of them, and maybe four through all stages with a minimum of speakers. Tomorrow should be a beautiful day for House business and the precise order of business will be S-10, C-79, C-81 and C-14.

● (2200)

Mr. Knowles: Mr. Speaker, it is correct that the government House leader discussed with each of us separately the business for tomorrow. He also knows I registered as strong a protest as one can to a good friend about the business being handled in this way with the result that on this important bill, C-53, there have been statements by the spokesman for the government and the spokesman for the Official Opposition, but our spokesman is frozen out. It could be that if this bill is not called again tomorrow, it will not be called again before the recess, which means that the Liberals spoke on July 7 and the Tories spoke on July 7 but the NDP does not speak until October. There is an element of unfairness in that, and I think at the very least we should continue with second reading of Bill C-53 tomorrow until the hon. member for Burnaby has spoken. Maybe at that point we could conclude the debate and send the bill to the standing committee, but if my friends to the right will not agree to that, the debate could be adjourned at that point. I think in all fairness one spokesman for each party should have the floor at this stage of the debate.

Mr. Pinard: In all fairness to my colleagues, Mr. Speaker, when I spoke to them about the business for tomorrow it was before the debate on Bill C-53 had started. When I spoke about the order of business for tomorrow to both the House leader for the Tory Party and the House leader for the NDP, we were in the midst of debate on C-67. There was no clear indication when we would get second reading of Bill C-67. We got second reading at about nine o'clock tonight. Therefore, we have to stick to the order of business that had been announced last week. We started debate on C-53. I have to respect, in all fairness, the word I gave to both House leaders. If I am relieved from keeping that word and there is an agreement by the House leader of the Tory party on this point, I might consider the request by the hon. member, but if I do not have such an agreement, I am sure he would not want me to go against the word I have given him.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I think those discussions we had earlier are important. They are important with respect to planning. As the hon. member for Winnipeg North Centre has indicated, there will be other opportunities for the contribution of their critic, which we look forward to hearing. I think the order of business should stand. That was our understanding and our arrangement.

While I am on my feet, there has been a considerable amount of discussion about the adjournment of the House. I do not know what the government House leader's intention is with regard to the planning of their individual business both here and in their constituencies if the government House leader could give some indication of the government's intention in respect of adjourning the House.

Mr. Pinard: Mr. Speaker, I think it would be useful to have a meeting tomorrow to discuss the possibility of adjourning soon. I might give notice of the motion tomorrow. This is not decided yet but it will be decided very soon, as I told my hon. colleagues earlier. Maybe during that meeting we could discuss the possibility of not debating that motion, and then maybe allow the NDP speaker to say what he has to say on Bill C-53. I do not know, but all this could be discussed at the meeting I propose to have tomorrow afternoon.

● (2205)

Mr. Knowles: I shall certainly be glad to attend the meeting tomorrow where we can discuss these matters. I regret that my friend, the hon. member for Nepean-Carleton (Mr. Baker), was not prepared to agree at least to have three speakers before we leave this debate. However, the matter is in a sense still open if we can find some opportunity for the hon. member for Burnaby to speak this week. So I have no option but to accept what the House leader has announced, but we can discuss it further when we meet tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AVIATION SAFETY: (A) CURTAILMENT OF AIR TRAFFIC CONTROL SERVICES AT CALGARY INTERNATIONAL AIRPORT; (B) SHORTAGE OF AIR TRAFFIC CONTROLLERS

Hon. Don Mazankowski (Vegreville): Mr. Speaker, the question I wish to raise tonight arises out of the curtailment of air traffic control service at Calgary International Airport effective July 4, between the hours of midnight and 6 a.m. as recorded at page 11133 of *Hansard* of July 2, 1981.

This curtailment has been caused by a shortage of qualified air traffic controllers in Calgary, which is in turn part of a

much larger problem, namely a very serious and critical shortage of air traffic controllers throughout Canada. Dealing specifically with the Calgary Internationl situation, there can be no doubt that this curtailment of services will cause inconvenience and disrupt traffic. As I am sure you are aware, Mr. Speaker, notwithstanding the negative aspects of the NEP, Calgary is a very dynamic and active city with a lot of air traffic which will be disrupted. More important, it will impair safety. That is a very important question.

Furthermore, it has been pointed out by the Air Traffic Control Association that it could raise some very serious and important legal implications with respect to the people on duty. To summarize what Mr. Robertson, president of the Canadian Air Traffic Control Association, said in a press release dated July 2, he indicated the flight advisory services to be put in place cannot provide for positive separation between aircraft, or aircraft and vehicles on the surface of the airport. This is now provided by air traffic control. Despite the fact the advisory services will be provided by air traffic control supervisory personnel, it still remains only an advisory service. Mr. Robertson was also critical of the fact that although some of the personnel were familiar with the Calgary airport, others were not. In addition, none of those selected have been given training for their advisory duty. In addition to the obvious safety hazards of the proposed operation, he noted there are also serious questions of legal liability for both the individual supervisor involved and the Department of Transport in the event of an incident or accident.

Now, Mr. Speaker, at the time I raised the question I asked the Minister of Transport (Mr. Pepin) to kindly confer and consult further with the Calgary Transportation Authority. That authority is indeed a very progressive, responsible and dynamic organization which has done a lot to further the development of aviation services in Calgary, indeed in all of Canada. I hope the parliamentary secretary will give this House tonight an indication of what further consultation and discussions have gone on with that authority in order to resolve this problem because the minister did undertake personally to me that further discussions would take place. It should be noted as well that while there is an over-all shortage and difficulties in staffing control towers with sufficient numbers of qualified personnel, the situation in Calgary is somewhat unique given the high pay scale and other difficulties with respect to the acquisition of adequate personnel. This is a unique situation which should be looked at, perhaps in isolation.

● (2210)

As I said earlier, there is a chronic and very serious shortage of air traffic controllers throughout the country. The Minister of Transport does not agree with the observations of CATCA. I must say that the officials of CATCA have warned the Minister of Transport and Transport Canada on a number of occasions.

In answer to a further question which I directed to the minister on July 3, he indicated:

The problem is not of the magnitude my hon. friend says it is. I observe that he has bought the CATCA figures as to the number of air controllers that are needed.

They are suggesting that we need 250 additional air traffic controllers right now. On May 19, during the appearance of CATCA before the House of Commons Standing Committee on Transport Mr. Robertson, the president, said that there was a serious understaffing problem at Calgary and that a curtailment of services would take place. It is passing strange that the minister would reject that testimony when in fact during the Dubin inquiry on aviation safety in November, 1980, the Department of Transport, in its report to Justice Dubin, drew attention to the serious problem of understaffing in air traffic control services. In the estimation of the Department of Transport, 1,036 additional controllers would be required by 1985-1986. Also serious problems were designated in Vancouver where there was a shortage of 22 controllers, 12 in Calgary, 15 in Edmonton, 58 in Toronto, 50 in Montreal, 20 in Gander and 75 in other points.

In his response the minister indicated that they are accelerating the process of turning out controllers and that there would be 120 to 150 controllers processed commencing September of this year. This is an improvement over the 50 to 60 per year which are currently being turned out, but it will not be sufficient to meet the demands of 250 at the present time and it will not be sufficient to meet the 1,036 required by 1985-86.

The minister must accept the magnitude of the problem. He must be prepared to act. It is the government's responsibility to provide the financial and human resources to protect and preserve the integrity of the air traffic control system in Canada.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, with respect to the curtailment of the airport control service at Calgary airport between midnight and 6 a.m., the only traffic movements which are being curtailed are those operating under visual flight rules. Approximately 80 per cent to 85 per cent of flights using the Calgary airport between midnight and 6 a.m. do so under instrument flight rules. For those two to three flights per hour, IFR control service is still available as are advisory and emergency services.

The Calgary Transportation Authority expressed some concern that the Calgary airport could not retain international status if full air traffic control services were not available 24 hours a day. This, however, is not true. For example, Windsor is an international airport designated for regular use by international scheduled air transport, as is Calgary. In the case of Windsor, the tower is closed between 10.45 p.m. and 6.45 a.m.

With respect to the broader question of a national shortage of air traffic controllers, currently the numbers of qualified controllers coupled with on-the-job trainees are in accordance with the number of approved positions. However, at any given site a combination of factors such as illness, training failure rate and availability of overtime staffing may lead to periods when normal control services may no longer be possible. In the

longer term, the predicted shortages of qualified air traffic controllers is a problem which is being addressed on a priority basis.

A realistic estimate of the situation is that approximately 520 controllers will be lost due to attrition over the next five years. In addition, there will be at least 150 new operational air traffic control positions created as a result of increases in traffic and the opening of new traffic control towers across Canada. The new air traffic control training system being put in place later this year is expected to produce between 120 and 150 newly qualified controllers each year.

● (2215)

To restate the situation, for comparison, over the next five years we expect to produce between 600 to 750 controllers to meet an estimated requirement for 670 positions. These figures are intended for planning purposes only. The actual number of controllers trained can be adjusted to some extent to meet the actual needs.

POST OFFICE—TIMING OF PARLIAMENTARY SUMMER RECESS—EFFECT ON POSTAL STRIKE—(A) EFFECT OF STRIKE ON SMALL BUSINESS; (B) ROLE OF POSTMASTER GENERAL

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I was thinking about finishing the speech I started earlier today, but in view of the fact that I have another important issue to raise, I will not do that but, rather, I will continue at another time to speak on Bill C-53.

What I wish to talk about tonight is the peculiar attitude—and one can only describe it as peculiar—taken by the Prime Minister (Mr. Trudeau) with respect to the question of the postal strike. Any thinking Canadian or legislator in this chamber must have deep concern about the consequences and effects of a postal strike on the average citizen. I am not talking about big business or medium-sized business, but about the average, so-called well-defined little guy who lives in each and every one of our constituencies. I am talking about the pensioner, the person who does not necessarily receive a government cheque, but many of whom rely on the mails for whatever little income they receive from some trust company or some small investment. I am talking about the little businessman. In an area such as mine, in Saskatoon, which is not a large city, and in the surrounding district I represent, substantial inconvenience is caused to those people who rely on the mails by virtue of a postal strike. I raised this matter in the course of question period yesterday. I tried to bring to the Prime Minister's attention some of the serious consequences which will flow as a result of this strike. I called on the government and the Prime Minister to take some action to deal with this strike before the House adjourns, which has been anticipated to be this coming Friday.

Regular mail delivery is an essential service for millions of individual Canadians, particularly for those in remote areas, for the pensioners and small businessmen I referred to. Pensioners who do not live in major urban centres are faced with the prospect of either a long period without income or a long and difficult trek to a distant town. I suggest that Canada's senior citizens should not be forced to be pawns in the government's game of chess with the Post Office. Those in remote areas lack the same access to couriers as those in major urban centres. They rely heavily on the mails for communication with the rest of Canada.

I pointed out to the Prime Minister, as has been pointed out to him a number of times before, it is estimated that some 1,000 to 1,500 small businesses will go bankrupt for each week the strike continues. The cost to the Canadian economy will be between 6,000 and 9,000 jobs. The Canadian Direct Mailing Association estimates that its members will lose $2.9 million for each day the strike continues. This matter cannot be allowed to continue to drift without some government action. At the moment the two sides are not even talking, which I suggest is primarily due to the failure of the Treasury Board to bargain in good faith.

An interesting article appeared in the *Toronto Star* last weekend in which the labour reporter John Deverell suggested that on the basis of his information an examination of the attitude of the federal government with respect to the postal strike is one which is a kind of scenario situation. The only similar situation I can liken this to is with respect to the infamous cabinet document which dealt with the constitutional strategy which we all remember so vividly. In the case of the postal strike there was a scenario set down as to how the minister and the government could be perceived as being tough, holding the line and curtailing inflation. In other words, the kind of government cynicism toward the consequences which the postal strike will have on the Canadian people, in effect, turns out to be the second prong of its anti-inflation program. I remind the House that the first prong is the high interest rate factor. The second prong is a sort of facade which it is now putting on to be tough on a high profile union which does not have any popularity in Canada. In fact, it is one of the least popular unions in Canada.

● (2220)

However, this is a kind of facade which I suggest the government is putting up. It says, on one hand, "We will not go back to bargaining. We will not take any initiatives with respect to negotiations. We will sit back and let Canadians suffer through a long strike."

On the other hand, it says it will not take any legislative action. It is not going to negotiate. I suggest it is an obligation for the government to legislate. Either the government must return to the bargaining table to bargain in good faith, or it must take action to legislate an end to this strike. I would be most interested in hearing the views of the government as to why—and it cannot be serious—it is going to have this House adjourn without taking some steps with respect to the resolution of this matter. We cannot have Parliament adjourned, the only instrument which can allow the matter to be brought to resolution, until the middle of October, which is the proposed time for the adjournment according to the government House leader. We have a responsibility as legislators here.

I will be interested in hearing whether the response of the government is really and truly serious about its determination to cause the people of Canada the suffering that it intends to cause them by sitting back, doing nothing and taking no action either by negotiation or legislation.

[*Translation*]

Mr. Serge Joyal (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, allow me to make a correction. I am not Parliamentary Secretary to the Postmaster General (Mr. Ouellet) but to the President of the Treasury Board (Mr. Johnston). I listened carefully to the comments of my colleague from Saskatoon West and I also heard the remark of the hon. member for Winnipeg North Centre (Mr. Knowles). I would ask him to listen, because I think he could agree on some points. The hon. member for Saskatoon West started out by pointing out the disastrous effects of any strike in the public sector on the underprivileged or on those with fixed income which they receive in the form of pensions or proceeds from income they saved throughout their life. It is true that any strike in the public sector has disastrous effects, and they can be more disastrous in some sectors than in others. Let me simply remind the House that strikes in the hospital sector, to name only one, have even worse consequences than strikes in the postal service. Strikes in the education system are also felt very strongly by parents who see their children lose their school days on playgrounds or other public places. Therefore, no strike in the public sector should be taken lightly by legislators. However, when they recognized the right to strike to employees in the public sector, they did so responsibly in the hope that unions would also use it responsibly. Moreover, any union which must continue to serve the public and to negotiate with public support, especially when trying to negotiate working conditions in the hope that they will be extended to all other sectors of public administration, must also do so with public support. This is why an unmotivated strike, which seems without merit or motive called at first glance to challenge a principle, will not find public support, as we can see once again today in this House. Most opposition spokesmen during Oral Question Period urged the government to put an end to this strike immediately. Last week, the hon. leader of the New Democratic Party, the hon. member for Oshawa (Mr. Broadbent), asked the government to accept all the recommendations in the conciliation report. However, in 1978, the Union of Postal Workers itself turned down the report of the conciliation committee.

Today the same union criticizes government negotiators for not accepting the conclusions of the conciliation report. The hon. member must know that the conciliation procedure is not the same as the arbitration procedure. A conciliation report can be accepted or refused by one or the other of the parties to the negotiations, and no ill will is alleged in such a case. It happened in 1978 when, by refusing the report of the conciliation committee, the union called for a strike and this Parliament had to legislate the strikers back to work by introducing Bill C-8. Therefore, at this time, in order to reach an acceptable settlement of this dispute while preserving what we consider as a fundamental principle, that of the right to strike in the public sector, exercised with a sense of responsibility, both parties must come back to negotiation. Government negotiators have accepted a great number of the recommendations contained in the report of the conciliation committee. There is a problem with the number of annual holidays, the number of weeks of leave after five or ten years of continuous service and the increase in shift and week-end premiums. I shall be able to reply to the hon. member for Burnaby if he wants to ask me questions during Oral Question Period.

• (2225)

[*English*]

HEALTH AND WELFARE—STATUS OF ROBERTSHAW STUDY OF CHILD FATALITIES CAUSED BY PARENTAL NEGLECT; RESPONSIBILITY CENTRE FOR CHILDREN

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am speaking tonight to protest the termination of the federal child abuse study. Initiated in 1978, this study has been conducted by lawyer Corinne Robertshaw, who was seconded to the Department of National Health and Welfare for this purpose.

From the beginning of the study, Mrs. Robertshaw has involved leading human service professionals from across Canada who are working in the child abuse neglect area in the discussion of the issues arising from her research. She has conducted this research by means of intensive study of legislation and relevant literature. She has travelled to major treatment centres for observation and interrogation of child abuse teams and for interviewing related personnel. Professionals in the private and in the public sector have been aware of and supportive of her mandate since its inception and have welcomed her visits and her requests for consultation as the first clearly visible federal interest in the most malignant of the nation's growing child welfare problem.

Following two interim discussion papers, each leading to a meeting in Ottawa of all the involved professionals with the resulting transcripts of their deliberations, the Minister of National Health and Welfare (Miss Bégin), in spite of the overwhelming support expressed by these professionals for the completion of the study, suddenly moved to terminate the child abuse study, thus eliminating the crucial final stage in which Mrs. Robertshaw's findings and the input of the multi-disciplinary groups of professions would have been synthesized by Mrs. Robertshaw.

Out of this was to come a final report with recommendations, the outcome of which the consulting professionals have an understandable considerable investment in terms of time and energy, not to mention the widespread appreciation of Mrs. Robertshaw's research expertise and study methodology, concern for the taxpayer's money and, most important, the hopes that many had about the potential impact of this study on the welfare of Canada's children.

Adjournment Debate

On April 21, 1981, the hon. member for Oshawa (Mr. Broadbent) questioned the Minister of National Health and Welfare in the House following the initial announcement of the termination of the child abuse study. The minister insisted that the study was in fact complete. In this she misled the House. The papers produced prior to the minister's statement were simply interim papers marked "For discussion only", and not for circulation because of the sensitive nature of some of the material and the tentative aspects of some of the recommendations which Mrs. Robertshaw expected to be modified following group discussion.

On May 29, 1981, Mr. E. M. Murphy, assistant deputy minister of the Policy Planning and Information Branch of the Department of National Health and Welfare, wrote all the professionals with whom Mrs. Robertshaw has been working, requesting that they sign a release to allow the government to distribute the two interim papers and the transcripts from the two Ottawa meetings convened to discuss them. It was obvious to most of the people contacted that the move was a ploy to get them to sanction government publication of the suddenly complete child abuse study, with the equally obvious result that Mrs. Robertshaw would not thus be allowed to write the expected final paper representing a synthesis and resulting conceptual extension of all the previous documents.

Since it is this final paper that represents the pay-off for all the combined efforts, many of those most closely associated with the project refused to sign the requested releases in protest, urging, instead, that Mrs. Robertshaw be allowed to complete the study, which she had indicated she can do in six months' time, working alone.

We in the NDP want to see this study completed. We will not be satisfied with the Badgley report on sexual offences against children, because it only covers one aspect of child abuse, nor will we be satisfied with a half-hearted release of a handful of background papers such as the minister proposes. There must be a revival of government support for the completion of this study and an extension of the life of the child abuse study to completion. Only this can prevent the demise, the extreme abuse and neglect of an exceptionally important and well executed study which is vital to the welfare of Canada's children.

● (2230)

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in the absence of the Parliamentary Secretary to the Minister of National Health and Welfare, I would like just the same to take this opportunity to clear up somewhat the confusion about the status of Mrs. Robertshaw's study on some points of the act dealing with child abuse and neglect. The next few minutes will be used to clear up the matter.

As has already been said in this House by the Minister of National Health and Welfare (Miss Bégin), the department agreed to sponsor that important study in 1978. Under the first contract entered into with the researcher, Mrs. Robertshaw, who was seconded to the Department of National Health and Welfare to undertake that work, the study was to extend over an 18-month period. In May, 1980, or at the end of the initial period, a ten-month extension was granted to the researcher to allow her to go on with her work. At the end of that period, in March 1981, two further extensions were granted, the first one to allow Mrs. Robertshaw to prepare the transcripts of the second national consultation held in March 1981, which had attracted the participation of prominent doctors, lawyers, sociologists and other professionals involved in the problem of child abuse, as was the case during the first consultation held in 1980. The second extension was granted to Mrs. Robertshaw to allow her to pursue the question of publishing the transcripts of proceedings of these two national consultations, since the Department of National Health and Welfare had the intention to publish not only the two discussion papers referred to, but also the proceedings of the national consultations themselves. As it happened, a number of participants in the national consultations declined to have their comments made public, pointing out the confidential nature of the meetings. Quite obviously, the Minister of National Health and Welfare went along with that decision and therefore, at their request, the transcripts of the proceedings will not be made public.

However, as the minister pointed out, the House has already been given the assurance that both discussion papers will be made available to all interested parties as agreed. I have been told by the department that the two documents have been translated and that they will be printed as soon as possible. I understand they will be available soon. I must say to all hon. members who have shown their interest in those documents that they will be given copies of them as soon as they are ready.

As the Minister of National Health and Welfare has already told the House, the Department of National Health and Welfare intends to continue working with the public and private sectors, particularly with the provinces, to find ways of controlling and eventually eliminating the very serious problem of child abuse.

The minister intends to urge her provincial counterparts to renew the efforts which have been made within families which are guilty of such offences, and to draw full benefits from the

federal cost-sharing program which is available to them for that purpose.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.34 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, July 8, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

FORESTRY

EFFECT OF GOVERNMENT POLICY ON INDUSTRY IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that a recently released study directly attributes the disastrous financial losses suffered this year by British Columbia's southern interior forest industry to high interest rates, and because the forest industry is a critical component of the country's economy and a major employer in Canada, and because the government's inaction demonstrates an astounding inability to solve today's economic problems, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That this House condemns the government for the lack of an effective economic program for these difficult times.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE JUDICIARY

ACTION TO NOMINATE WOMEN AS SUPREME COURT JUDGES—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, yesterday President Reagan announced that he was entering the name of a woman, Sandra O'Connor, into nomination for the Supreme Court of the United States.

Some hon. Members: Hear, hear!

Mr. McLean: It will be noted that it took a conservative administration to break with two centuries of male exclusivity. Therefore I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Minister of Justice waste no time in naming an earnest committee of Progressive Conservative members to consult with bar associations and womens' groups in order to develop a list of suitable female candidates for high court membership, with the aim of removing the age-old phobia of the Liberal party against progressive action in the area of female appointments to the Supreme Court of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMBINES

STUDY OF URANIUM INDUSTRY CARTEL—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, it took the Liberals years to move on Your Honour's important position. I hope they will follow the suggestion made in the preceding motion with despatch.

I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urges the government to make public the results of the four-year study by the Combines Investigation Branch into a cartel in the uranium industry, and further, that the Minister of Energy, Mines and Resources make a statement on motions explaining why responsible political ministers have not been named in the organization and operation of this uranium cartel.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

SUGGESTED INCREASE IN SOCIAL HOUSING UNITS—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise under the provisions of Standing Order 43. In 1980 apartment vacancy rates were running between 2.3 per cent and 2.8 per cent across Canada. The government's response was to allocate an additional 5,000 units under the non-profit and co-operative housing program. Yesterday the Minister of Finance announced the addition of 2,500 units under the program, even though vacancy rates are now at a critical 1.8 per cent. I

therefore move, seconded by the hon. member for Waterloo (Mr. McLean):

That the government increase the allocation of units under the social housing programs to at least 5,000 in order that the vacancy rate problem in Canada will be alleviated immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY POSITION ON TWO-PRICE WHEAT ACT—MOTION UNDER S.O. 43

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise under the usual provisions of Standing Order 43 on a matter of urgent and pressing necessity. In this House we have had a long debate on Bill S-6, an act to amend the Two-Price Wheat Act. This delay was occasioned mainly by obstruction from certain Conservative members of this House.

Some hon. Members: Oh, oh!

Mr. Peterson: This delay was occasioned by obstruction from the hon. members opposite—

Mr. Andre: Your wheat farmers are upset, are they?

Mr. Peterson: —and particularly the hon. member for Bow River (Mr. Taylor), who indicated that this bill would be harmful to western wheat farmers. In light of this I move, seconded by the hon. member for Guelph (Mr. Schroder):

That this House urge the Conservatives to be more consistent in their policy applications, because this Bill S-6 is exactly the same bill as was presented by the previous Conservative government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ADMINISTRATION

LACK OF PRINCE EDWARD ISLAND REPRESENTATIVE IN CABINET—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Prince Edward Island is the only province in Canada not represented in the cabinet of the present federal government. Given that this situation will have existed for a full year by the time Parliament likely reconvenes in the fall, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House call on the Prime Minister to rectify the problem before the end of the summer so that government decisions can more fully reflect the concerns of all Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

COMMUNICATIONS

APPLICATION BY B.C. TELEPHONE COMPANY TO INCREASE RATES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. Four months ago the B.C. Telephone Co. socked it to B.C. residents with a 12.5 per cent increase. Now the company has just applied to the CRTC for a further increase of 25 per cent for residential subscribers, a 28 per cent increase for business rates, and the cost of pay phones would rise to 25 cents from ten cents. Therefore I move, seconded by the hon. member for Kootenay West (Mr. Kristiansen):

That this House instructs the CRTC to reject the exorbitant rate increases demanded by this foreign multinational, and to stand by its decision to reconsider the last rate increases if B.C. Tel does not improve its services by the end of 1981.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ENERGY PROGRAM

IMPACT ON ECONOMY—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House condemn the government for its failure to reach an energy agreement in an 18-month period, costing the taxpayers of Canada $8 million per day in imported oil, $1 million per hour in losses to the economy, and putting thousands of people out of work while the national energy policy of Canada does not address itself to the production of oil in this country; and that this House call on the Prime Minister and the Minister of Energy, Mines and Resources to redress immediately the negative impact the national energy policy is having on this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

DURATION OF POSTAL STRIKE—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, since the government does not want to legislate or negotiate the postal strike, but is willing to let small businesses suffer and die and letter carriers be unemployed, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That the government declare with some precision how long it is prepared to live with the strike, so that letter carriers can get other employment and business people may develop alternate and sure delivery systems.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

HEAD MAINTENANCE PROGRAM—ADJUDICATION OF APPLICATIONS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas many farmers in western Canada have maintained their cattle herds by incurring considerable debt in order to continue their eligibility for assistance under the herd maintenance program; whereas these farmers have been left in limbo, wondering whether they will receive assistance at all, and whereas the hard line, and unfair adherence to bureaucratic rules and regulations by the government has meant that numerous requests for herd maintenance assistance have been denied to some farmers, even though their townships were declared eligible for assistance after the original application deadline had passed, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government display some compassion for those farmers who have legitimate claim to herd maintenance assistance and adjudicate all applications, late or not, as quickly and as fairly as possible.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

ANNEXATION OF ARABLE LAND FOR URBAN DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Urban sprawl is continuing to take vast tracts of Canada's prime agricultural land out of food production. Therefore I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the government establish a federal-provincial municipal task force to evolve new policies to minimize the amount of class No. 1, class No. 2 and class No. 3 farm land that is being annexed for urban sprawl and development.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL YEAR OF DISABLED PERSONS

FUNDING FOR PROGRAMS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. Since the B.C. Committee for the International Year of Disabled Persons has received an overwhelming number of requests for program funding and estimates it would require another $12 million to meet those requests and since other areas of the country are experiencing the same enthusiastic response, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House instruct the government to recognize the obvious desire of Canadians to be actively involved in this international year and that it increase the $1 million already allocated to an amount that equals the moneys being contributed by provincial governments.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1415)

NATIONAL ENERGY PROGRAM

DEFINITION OF 50 PER CENT CANADIAN OWNERSHIP—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the objective of 50 per cent Canadian ownership of the oil and gas industry in Canada is a worthy objective, providing this means that 50 per cent foreign ownership will be replaced by 50 per cent private ownership; and whereas the last budget of the Liberal government is silent on this matter, leaving many to suspect that it is a smoke-

screen, enticing the public into something they do not want, that is, nationalization of the oil and gas industry, therefore I move, seconded by the hon. member for Calgary South (Mr. Thomson):

That this House urges Prime Minister Trudeau to define immediately the term 50 per cent Canadian ownership.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

COMBINES

PUBLICATION OF REPORT ON URANIUM CARTEL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Justice and Attorney General. It concerns the information which has been sworn regarding the uranium cartel, an action flowing from the report of the director of the combines investigation branch and from independent legal advice which the government sought.

The minister will remember that on March 4 his colleague, the Minister of Consumer and Corporate Affairs, promised that the full report of the director of the combines investigation branch would be made public. In order that Parliament may have all of the information about the uranium cartel and may understand why certain corporations and individuals were named and certain others, including past or present ministers of this government, were not named, will the Minister of Justice and Attorney General agree now to publish immediately the full report of the combines director and the full context of the independent legal advice which the government sought?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the Minister of Consumer and Corporate Affairs never made such a promise to the House.

Mr. Stevens: On March 4.

Mr. Chrétien: I have, however, received a report from the combines director, who was advised by a Toronto lawyer named John Brown. I also asked the same firm of lawyers to advise me on this matter. I have asked Mr. Brown to act as prosecutor in the cases he recommended that I prosecute, whose recommendation I have accepted. All of Mr. Brown's recommendations are included in the action which has been launched before the court, which will now be disposed of by the court.

REQUEST FOR APPOINTMENT OF SPECIAL PROSECUTOR

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what the minister is saying is that some lawyer he has chosen in Toronto has a right to see this report and has a right to knowledge of the independent legal advice that was made available, but the minister is hiding that report and that legal advice from the House of Commons of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The minister will know that among the unindicted co-conspirators are former public servants. The minister will also know that the cartel involved a "gag" order in council and other direct policy decisions taken by the Government of Canada. Since the Attorney General and Minister of Justice was a member of the government which set up that cartel, and which was involved in taking other decisions leading to this legal action, will the minister act to avoid any appearance at all of a conflict of interest and have this legal action pursued by a special prosecutor or by attorneys general who have no association whatever with the actions that will be considered by the courts?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to clarify the statement made by the hon. member. The lawyer to whom I have referred is the same one who was hired by Mr. Bertrand and who has worked for four years on the case. He is the lawyer who made the report to Mr. Bertrand.

After I received the report from Mr. Bertrand, I asked the same lawyer, who had worked on the commission for four years, to be the prosecutor. This lawyer who worked on the inquiry for four years is the same one I have hired to be the special prosecutor in this file. Both in the report made to Mr. Bertrand, which was transferred to me, and in the special report that was made to me after I hired the same lawyer, that lawyer recommended that I prosecute the same companies. I have accepted his recommendation. This prosecutor is the same person who conducted the inquiry. He has accepted the position of special prosecutor in this case, and I am very pleased that he has done so.

NAMING OF UNINDICTED CO-CONSPIRATORS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, now we know who they are. They are Mr. Brown and Mr. Bertrand. But we do not know what they said. This House of Commons has a right to know what was said in those reports, which involved information being laid against certain corporations and individuals but not information being laid, for example, against the Minister of Justice, against the former minister of energy, mines and resources and against the Prime Minister. He points to himself. He has perhaps read the report. The members of the House of Commons would like the opportunity to read the report.

● (1420)

My question stands as to whether the minister will now end the secrecy and publish the report. While he is considering that question which was asked some time ago, let me ask him a question which goes to the heart of our system of responsible government in this country. Two former public servants are named as unindicated co-conspirators for actions taken during the period that they were public servants. One was an ADM at the time. Obviously they had to be acting on the instructions of the cabinet to which they were responsible. Will the minister explain why, when former public servants are named, the Prime Minister and present and former ministers of the government to whom those public servants were responsible are not named?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): In my opinion, Madam Speaker, the answer is very easy. Mr. Brown and the other lawyers who worked with him on this case made recommendations to me and I followed all of them. I ordered that legal action be taken against the companies, as recommended by Messrs. Bertrand and Brown, and I accepted their recommendations exactly as they were. At no time did the commission or the director himself feel that there had been anomalies in the conduct of the ministers or of other persons, except those referred to in the lawsuit. I therefore accept Messrs. Bertrand's and Brown's report, and I have launched proceedings in line with their recommendations. I cannot do any better than to follow the advice of people who have spent the last four years scrutinizing thousands of documents and pages of evidence they received. They have recommended that the six companies be prosecuted and that is exactly what I have done.

[*English*]

KNOWLEDGE OF SENIOR OFFICIALS AND MINISTERS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also to the Minister of Justice and, most important, the Attorney General of Canada. The essence of the information of the charge that has been laid is the fact that it has apparently come to the attention of the combines investigation people that the accused had knowledge that the cartel activities affected the Canadian market. In particular, Mr. MacNabb, a co-conspirator, and Mr. Runnalls, a co-conspirator, according to the information, had knowledge that the cartel affected the Canadian market. Will the Attorney General indicate to the House how he determined that nobody senior to Mr. Runnalls or Mr. MacNabb had similar knowledge that the cartel had affected the Canadian market, including Mr. Austin, the deputy minister, Mr. Macdonald the minister, and the Prime Minister who, of course, presided over the whole cabinet deliberations when the conspiracy was put in place? Why were they not joined as co-conspirators?

Hon. Jean Chrétien (Minister of Justice and Attorney General of Canada): Madam Speaker, Mr. Bertrand and the outside lawyers worked on the files for four years. They examined thousands of documents and talked to a lot of witnesses. They concluded that the charges should be put in front of the court the way they have been. I am not about to have a trial in this House of Commons when we decide to prosecute companies or individuals. The matter is being decided before the courts. If the hon. member is very interested, when the case is being heard in Toronto he might sit there and learn a little more.

INFORMATION CONTAINED IN CABINET DOCUMENTS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary is to the Attorney General of Canada, and I emphasize Attorney General of Canada, who should at least be neutral in this case. Will the Attorney General confirm to the House that, first, Mr. Bertrand was denied access to cabinet minutes and other cabinet documents that have shed some light on who was aware of the effect of the cartel in Canada and, second, whether he personally in his role as Attorney General reviewed those cabinet minutes to determine whether others within cabinet were implicated, as has been indicated today?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I must say that there are rules and customs with respect to minutes of the cabinet. Mr. Bertrand did contact the cabinet officials at the time and he himself declared that the minutes of the cabinet meetings were not essential to carry out his mandate. In the circumstances, they completed their inquiry. They also made recommendations to me and I accepted them as they were. The case is now before the courts and it will be up to them to decide whether or not the six companies involved broke the law of Canada.

* * *

● (1425)

[*English*]

POST OFFICE

POSTAL STRIKE—OFFER TO HAVE NEW CROWN CORPORATION PRESIDENT ENTER NEGOTIATIONS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of Treasury Board. Considering that this morning the postal workers took an important conciliatory step in terms of reaching, one hopes, a settlement that will stop the postal strike, the step being the proposal that the president-designate of the new Crown corporation to run the post office be included as part of the government's negotiating team, I would ask the minister whether the government will match this good will offer of the postal workers by agreeing to it?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, indeed I am very pleased with the conciliatory step which has been taken by CUPW in suggesting that the pre-conditions will be removed before we return to the table. The additional condition which it has stipulated, the presence of Mr. Warren, causes us, I must say frankly, some reservations which I have been discussing with my colleagues. I can assure the House that I have responded to Mr. Parrot's letter in the most positive terms, thanking him for their efforts at conciliation and hoping to provide some other means of establishing the conditions which would not be as difficult for us to accept.

POSSIBLE RESUMPTION OF NEGOTIATIONS

Mr. Edward Broadbent (Oshawa): Madam Speaker, will the minister elaborate on the last part of his answer? Considering that Mr. Warren is a man with considerable industrial relations experience, would it not make perfectly good sense, given that background on the one hand, and considering that he is about to run the new post office on the other hand, for him to be involved precisely at this point in the negotiations, especially if this can get negotiations under way again in order to put an end to the postal strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, it is essential that the position of Mr. Warren, the long-term interests of the post office, and relationships between the union and the post office be on the best terms possible, and it is important that such position not in any way be prejudiced. Accordingly that is why my colleagues and I have been consulting on this request that has been made. I must say we find it somewhat unusual that CUPW would suggest that it should determine who the members of our negotiating team should be.

REASONS FOR GOVERNMENT'S POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, with regard to just the last part of the answer from the minister, that is the disturbing kind of note that hopefully everyone on both sides of this House, as well as the post office and postal workers, wants to avoid. If the postal workers have withdrawn an important pre-condition which they have laid down for the past week or so, then they have taken an important step forward. What I am at a loss to understand is why the minister is not prepared to match this good will gesture by saying, "Yes, given Mr. Warren's past negotiating experience, and given the importance of resolving this dispute to all the people of Canada who are affected by it, especially the postal workers, we will go ahead and do that"?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I thought I had answered that question in the first instance. I do not think the hon. Leader of the NDP has considered all the implications of that particular request. I believe it is our responsibility as a government, not just as President of the Treasury Board, to hold consultations with the Postmaster General and other colleagues who should be consulted on this matter, and I can assure the hon. member that I do accept with gratitude that there has been some movement on the part of the union. I have responded in writing to Mr. Parrot's request, but I do not think the floor of the House of Commons is the proper forum within which to carry on this kind of negotiation.

* * *

● (1430)

COMBINES

URANIUM CARTEL—NAMING OF UNINDICTED CO-CONSPIRATORS

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Minister of Justice, who is behind the curtains. I wonder if I could await his arrival.

The Minister of Justice is the only individual in this House who knows why Mr. Brown recommended that these six corporate accused be charged. In light of the fact that, according to the indictment, the conspiracy took place partially in Ottawa, and two senior officials of the Department of Energy, Mines and Resources, Gordon MacNabb and John Runnalls, are named but as unindicted co-conspirators, I would like to ask the Minister of Justice why they have been named but not charged.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, this is not unprecedented. It has happened on many occasions in the past that decisions like that have been made. It was the recommendation of the commission and of Mr. Brown, as he acted as a special prosecutor for me in that case, to proceed that way, and I have accepted this recommendation.

Mr. Speyer: Madam Speaker, what I want to know are the reasons Mr. Brown gave to the Minister of Justice for not charging these individuals and yet naming them in this indictment.

REQUEST THAT ORDER IN COUNCIL BE RESCINDED

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is to the Minister of Justice. As Minister of Justice he is aware that one of his most fundamental roles is to protect the rights of accused by a full answer and defence. That is in the Criminal Code. In light of the fact that demands, if they have not already been made by lawyers representing the accused, will be made, will the minister have the Prime Minister and the cabinet rescind the gag regulation with respect to the 100,000 documents which would enable these accused to get a full answer and defence?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, with respect

to those regulations, the Appeal Division of the Federal Court rendered a decision in the case of McNamus. As for activities within Canada and under Canadian legislation, the regulations do not apply. In any event, the debate will take place before the courts and the government will act in due time as required, but the Appeal Division of the Federal Court has already rendered its decision.

[*English*]

LEGISLATION TO PROTECT CANADIAN CONSUMERS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is to the Right Hon. Prime Minister. The Prime Minister is quoted today as having said that the international marketing arrangement was set up as a defensive action. He said, "Canada joined the cartel to protect the domestic uranium industry against U.S. restrictions". When the government set up this cartel, why did it not bring in legislation to protect Canadian consumers against these fixed prices? He could have done that by bringing in legislation establishing a marketing board, as other members of the cartel have done.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, Canadian consumers are protected by the combines investigation branch. It has reported to the Minister of Justice and Attorney General. The result of Mr. Bertrand's decision as head of the branch was to refer the matter for prosecution precisely because it is his role to protect consumers against this type of combine. That is the way the law proceeds.

We do not pass laws—and I think the hon. member is a witness to the difficulty in many cases to passing laws, even if they may be desirable—to protect consumers. We have overall laws like the anti-combines law to protect consumers.

Mr. McGrath: Madam Speaker, by circumventing the combines law the government has in fact broken the law, and as a co-conspirator in this—that is what it is; it stands indicted by its own action as a co-conspirator—has milked Canadians of millions and millions of dollars. During the period of the cartel uranium prices in Canada went up by 500 per cent. Electricity prices in Ontario—electricity in Ontario is dependent by one-third on nuclear energy—went up by 500 per cent.

REQUEST FOR COMPENSATION TO CONSUMERS

Hon. James A. McGrath (St. John's East): Madam Speaker, since no government is above the law, not even the government of the Prime Minister, and since this government failed to protect Canadian consumers by establishing legislation, does the government intend to make compensation to Canadian consumers—or should I say restitution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sorry to say that the hon. member does not understand the situation and therefore misrepresents the reality. When he says the government broke the law by creating a combine against Canadian consumers, he does not understand what happened. The Minister of Justice just quoted a decision which indicated precisely that that did not happen, that that was not the law and that that was not the intention of the government. The intention of the government was to create an international trading agreement.

Mr. Clark: Illegal.

Mr. Trudeau: The Leader of the Opposition says "illegal". I wish he would stop making assumptions like that. What proof does he have that we have done it illegally?

Mr. Beatty: Release the documents.

Mr. Trudeau: Hon. members opposite should stop shouting and try to understand what happened. An international agreement was set up between many countries as a defensive mechanism against the United States action. It was set up to reach an understanding on prices in international trade. It was not set up to create a combine in relation to the sale of uranium in Canada. As a matter of fact there was at that period no, or very little, uranium being sold in Canada. It was the international markets we were protecting. That was the purpose of the cartel. It was only years later—

Mr. Stevens: What happened then?

Mr. Trudeau: Madam Speaker, if hon. members opposite are willing to give me time, I am happy to explain it once again. There was nothing against the law, contrary to what the Leader of the Opposition says, in creating an international cartel. That is not against the law of Canada, and I challenge him or anybody on his side who knows anything about the law to say it is.

Mr. Clark: Mr. Bertrand.

Mr. Trudeau: In answer we have a judgment of the Federal Court saying that the agreement, the cartel or the combine did not apply in Canada. That is the reality. We were protecting the Canadian uranium industry and the workers against an American action as it affected—

Mr. Stevens: Why are you charging them then?

Mr. Trudeau: Be quiet, and you will find the answers. I cannot say everything at the same time.

Mr. Olivier: Listen and learn.

Mr. Trudeau: One has to listen to one idea and try to digest it, and then listen to the other one. I am trying to go as slowly as I can for the hon. member.

Some hon. Members: Hear, hear!

Madam Speaker: The Prime Minister might have another occasion, but I think that is long enough for one answer.

Oral Questions

HEALTH AND WELFARE

REFORM OF CHILD TAX CREDIT SYSTEM

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of National Health and Welfare, and it concerns a non-renewable resource, Canada's children. Since poverty is the single most damaging factor affecting both native children and non-native children, and since the Minister of National Health and Welfare has indicated on a number of occasions her desire to change the inequities in the child tax credit system, will the minister tell us, please, when she intends to do this and what reforms she will be undertaking in order for this to affect the future of 13 per cent of Canada's children who are poor?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I suppose the hon. member is referring more particularly to the report of the Standing Committee on Health and Social Affairs following the International Year of the Child, which, if I am not mistaken, will be tabled a little later in the House. The hon. member is a fine politician, and she is trying to draw the public's attention to that report. When it is tabled and I have a copy, I will read it, of course, and we will carry on the very serious work already started. We will discuss the issue with the Canadian people in an attempt to show that the present tax system is unfair with regard to credits allowed for children. However, as I have often stated, it means that some Canadian families would lose tax credits for the benefit of poorer families. Such a decision will be taken in due time by the Minister of Finance and the entire cabinet.

[*English*]

Mrs. Mitchell: Madam Speaker, I think the minister did not clearly hear the question. Her answer was not specific about what she intends to do to reform child tax credits for poor children.

● (1440)

SPONSORSHIP OF COMMUNITY PROGRAMS TO HELP CHILDREN

Mrs. Margaret Mitchell (Vancouver East): My supplementary concerns a proposal made in an alternate report for a preventive program for children. Federal leadership is needed if we are ever going to reverse the poverty cycle for the next generation. It is incumbent upon the federal government to take leadership, particularly in regard to preventive programs for young children.

Will the minister consider initiating a federally sponsored program, similar to the New Horizons program for senior citizens, which could encourage self-help programs at the community level for preschoolers and their parents, to strengthen families and give children a better start in life?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the minister completely and clearly understood the question. I point out to the hon. member that her colleague, the hon. member for Winnipeg North Centre, asked me the same question Friday morning. If she will please read *Hansard*, she will find the answer regarding the child tax credit.

As to the second question, which is also I suppose a recommendation of the Standing Committee on Health, Welfare and Social Affairs, which is going to table its report in 20 minutes, I will prefer to read the report first. It would help me to study it so I can give a complete plan of action to members at the appropriate time.

* * *

HEALTH CARE

EFFECT OF POSTAL STRIKE ON MEDICAL TESTS FOR INFANTS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is also for the Minister of National Health and Welfare. There are two preventable conditions present at birth which can lead to mental retardation. One is a poorly functioning thyroid gland in the newborn, the second is a disturbance of cellular chemistry as evidenced by phenylketones in the urine. If the present postal strike persists for one month, it has been estimated by competent authorities that approximately nine such cases will be missed due to failure of delivery of blood samples from maternity hospitals to appropriate screening laboratories. Nine infants will go on to mental retardation that could otherwise be treated and cured. Can the minister advise whether steps have been taken to provide alternate means of transportation of blood samples from nurseries to the laboratories?

Hon. Monique Bégin (Minister of National Health and Welfare): I guess all I can do today is acknowledge the problem to which no solution, to my knowledge, has been found. I advised Dr. Charles Scriver, who heads that research team, to put the problem to Mr. Parrot, the president of the union, prior to the strike. I did that as soon as I was informed of that very serious problem. I wish the union could find a solution so as to save several Canadian babies from being seriously handicapped for life.

* * *

COMBINES

REQUEST FOR RELEASE OF REPORT ON URANIUM CARTEL

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary is to the Prime Minister with respect to the uranium cartel prosecutions. The Prime Minister has attempted to indicate to the House that no illegal acts took place with respect to this cartel, which is patently absurd because the combines investigation branch has now recommended charges. What he is saying to this House and the people of Canada is, "I am no crook." He will remember that particular statement was made before by another leader.

The Prime Minister refuses to allow us to see the recommendations that lead to the prosecutions. Why is he covering up? Why does he not allow the release of the report so the people of Canada can be satisfied that the Prime Minister is in fact no crook?

An hon. Member: That is dirty, Ray.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am rather happy to answer that rather nasty question, but I wish the House would hear me to the end because I only gave the first half of my answer.

When I said there was no illegality, I said there was no illegality in creating an international cartel, agreement, combine, or whatever it is. That is what I said. That is why the Leader of the Opposition is dead wrong in saying we did something illegal. We set up an international agreement with effects on the markets of the world.

Under the existence of that international agreement, Madam Speaker, it appears, according to the combines investigation people, that people in Canada used it to create a combine and fix prices in Canada. That, as I understand it, is the allegation made by Mr. Bertrand in a report which I personally did not read.

Once again, Mr. Bertrand had two choices, Madam Speaker, and I hope the opposition will be patient and hear me out. After they had been working on this since 1978, one choice was to refer their findings to the Restrictive Trade Practices Commission. The other was to refer their findings to the Attorney General of Canada. Sometimes they do one, sometimes the other. In the case of the petroleum inquiry they took the first choice, they referred the matter to the Restrictive Trade Practices Commission which, as we know, made it public. Then we were summoned, indeed we were accused in this House of having followed that rather lengthy route which would take years in front of the commission, rather than giving it to the Minister of Justice so he could attempt prosecutions.

Now, by accident, Madam Speaker, or by design—I do not know—Mr. Bertrand in this case reached the other alternative provided to him under the law to refer it to the Minister of Justice rather than make it public via the Restrictive Trade Practices Commission. Now the opposition have changed their song completely—

Mr. Andre: Because this—

Mr. Trudeau: Shut up, my friend. Shut up a minute.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Who the hell do you think you are, you arrogant pup?

Mr. Trudeau: So in one case—

Mr. Andre: I am sorry to interrupt your lies.

Mr. Trudeau: Madam Speaker—

Madam Speaker: Order, please. Order, please. I think it is important that the House hear this answer to the end, and I will recognize the Right Hon. Prime Minister to terminate his answer. However, I would hope that he could do it and be heard.

Mr. Trudeau: Madam Speaker, I want to raise a—

Mr. Clark: Hide the evidence and shut up the House.

Mr. Trudeau: —a question of privilege. The hon. member for Calgary Centre just said "I was shouting because I didn't want to hear your lies". I wish he would withdraw that accusation, Madam Speaker.

Some hon. Members: Withdraw! Withdraw!

Madam Speaker: First of all, if the Right Hon. Prime Minister wants to raise a question of privilege, he may do it at three o'clock.

Mr. Clark: He wants to break that rule, too.

Madam Speaker: The Chair has not heard an unparliamentary expression and therefore I cannot ask the hon. member to withdraw as the Right Hon. Prime Minister requests. If I read in *Hansard* that there is an unparliamentary expression, of course I will have to ask the hon. member to withdraw, unless he chooses to do it immediately if he recognizes that he said that unparliamentary expression.

Some hon. Members: Stand up! Stand up!

Madam Speaker: The Right Hon. Prime Minister has the floor to terminate his answer.

Mr. Trudeau: Madam Speaker, I merely wanted to conclude that Mr. Bertrand had these two courses of action under the law. In one case he followed the first course to the Restrictive Trade Practices Commission, for which we were condemned by the opposition. Now he has followed the other course. The Minister of Justice has made it quite plain that, in order to avoid the suspicion that we would in some way not be following Mr. Bertrand's recommendations or conclusions, he did not ask the officials of his department to see if there was cause to lay charges; he went to the very lawyers who since 1978 have been working on this case, the lawyers who were left on this case during the period when the Leader of the Opposition was Prime Minister of Canada.

These lawyers were not changed; they are the ones chosen way back by Mr. Bertrand himself. They know more about the case, I suspect, than anyone on this or that side of the House. They have been working on it for over three years. These are the very lawyers to whom the Minister of Justice has said, "Please, you recommended something to Mr. Bertrand. Your findings led him to ask the Minister of Justice to prosecute." The Minister of Justice turned around and said, "Please, you do the prosecutions. You know the facts. We do not want to be suspected of hiding anything. You prosecute those very people that you said might be guilty."

● (1450)

REQUEST THAT INDEPENDENT PROSECUTOR REVIEW EVIDENCE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, there are two very substantial distinctions which must be made. One is that in this particular case, unlike the oil inquiry, the government itself is implicated. In fact the combine affected domestic prices in that Canadian utilities were told by the government and by the producers that they had to follow world prices which, in turn, had been influenced by the cartel.

The government is now engaging as a prosecutor the person who helped prepare the report of the combines investigation branch. It is inconceivable to me that there is not an involvement on the part of the government and the minister when there are public servants charged. Will the Prime Minister not have an independent prosecutor, or the provincial attorneys general, review the evidence independently? There is a conflict of interest here with the government; it is implicated whether it likes it or not. There is an allegation of illegality. Will the Prime Minister not put this matter into the hands of an impartial, special prosecutor, or the provincial attorneys general, so that they can review the matter, and make their own assessment as to who should be prosecuted and who should be named in the conspiracy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understand that under our system the opposition is paid, as it were, to attack the government and not to trust it in its decisions. That is fine. But surely somewhere, somehow, in some place, they have to trust somebody. That is the basis on which we live in society. Just a few months ago they were trusting Mr. Bertrand as an honest man who, in some way, had been maltreated by this government.

Mr. Stevens: You didn't trust him.

Mr. Trudeau: Now we have the hon. member for York-Peel trying to get into the act. This is a common tactic of the opposition. They ask questions but they never want to hear the answers. They would rather heckle.

Some hon. Members: Hear, hear!

REQUEST FOR RELEASE OF CABINET MINUTES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the Prime Minister has raised the question of trust. One of the matters which is disturbing us is that neither Mr. Brown, Mr. Bertrand, nor anyone outside the members on the treasury benches has seen those cabinet minutes. There may be details in those cabinet minutes which, if shown to Messrs. Brown and Bertrand, may not only change the information but change the basis of the court action. In order that we can have the trust in the government which the Prime Minister asks for, will he release those minutes?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, coming from a Privy Councillor I find that an astonishing suggestion. Mr. Bertrand made it clear that he had reached his findings without the help of the minutes and that he did not need them. The hon. Privy Councillor opposite is suggesting that we release Mr. Bertrand's report, which did not have the minutes and which he said he did not need. Now the hon. member wants the minutes released. Could I have the undertaking of the hon. member that his party will release all former minutes of its cabinet and of previous Conservative cabinets, in which case we might be able to discuss this further?

Mr. Baker (Nepean-Carleton): Madam Speaker, I point out to the Prime Minister that even with respect to his government the release of minutes is not unprecedented. I would point to the release of cabinet minutes to the McDonald commission, which was also a commission of inquiry into the truth.

ACCESS TO MINUTES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to put my question again to the Prime Minister, and never mind his dancing. In order to obtain the element of trust which he seeks will he release the cabinet minutes, which Mr. Bertrand did not see, to another kind of inquiry, an inquiry under the Combines Investigation Act, respecting a specific matter, as was done with respect to the McDonald commission? Even the prosecutor, the counsel for the government, has not seen these minutes.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Bertrand commission is over. It has been its recommendations on the basics of findings it made. It said its findings were sufficient without access to the minutes. The commission did not insist on the production of those minutes as a condition of making its report. That is the situation, Madam Speaker. I have the clear impression that the hon. member is just bringing out a red herring.

Some hon. Members: No.

Mr. Trudeau: He is changing course now. He is no longer talking about making the report public, because he now admits that the commissioner had two choices—

Some hon. Members: Oh, oh!

Mr. Trudeau: He made one of the two choices. Now we are onto the minutes. I find it quite unbelievable that a Privy Councillor would ask that, on suggestions like that, cabinet minutes should be made public. Why not your own minutes? Give us the example—

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): We are not accused. You are.

Mr. Trudeau: I accuse you of all kinds of nonsense, your Jerusalem nonsense—release those minutes.

Some hon. Members: Hear, hear!

Mr. Trudeau: I will make a deal. If the Right Hon. Leader of the Opposition is prepared to release all the minutes of his cabinet dealing with Petro-Canada and the Jerusalem incident, I will be prepared to show our minutes to Mr. Bertrand.

Some hon. Members: Hear, hear!

ACTIONS OF DEPARTMENTAL OFFICIALS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the Prime Minister said the opposition is paid to attack the government. The government is paid to obey the laws of Canada.

Some hon. Members: Hear, hear!

Mr. Beatty: Madam Speaker, my question is for the Prime Minister. In view of the fact that two senior officials in the Department of Energy, Mines and Resources, Mr. Runnalls and Mr. MacNabb, one of whom was an assistant deputy minister, have been named as unindicted co-conspirators, does the Prime Minister allege that Mr. MacNabb and Mr. Runnalls acted without the knowledge or consent of their superiors?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I make no such allegation because I have not either gone back to read the minutes or study the report of Mr. Betrand, which I have no right to see, since it is transmitted to the Attorney General, I make no such allegation. All I am saying is that we have done exactly what the opposition demands when they say we should give the matter to an independent counsel. These counsel are not only independent of the government, they were not chosen by the Attorney General but chosen years ago. They were kept by the Right Hon. Leader of the Opposition. They are independent counsel of the firm of Blake Cassells; they are Mr. John Brown and Mr. Calvin Goldman. They are not known to me. I doubt whether they are known in any real sense to the Attorney General. We have chosen independent counsel.

Once again I put it to the opposition, if they want to live in society they must trust somebody.

Some hon. Members: Hear, hear!

Mr. Epp: Not you.

EFFECT OF CARTEL ON DOMESTIC PRICES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in this society if you want trust you have to deserve trust.

Some hon. Members: Hear, hear!

Mr. Beatty: The Prime Minister has said that this cartel was acceptable—

Some hon. Members: Question!

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Beatty: Madam Speaker, the Prime Minister said that this cartel was acceptable because it was designed to raise prices internationally as opposed to domestically. Does the Prime Minister now tell the House that his government was unaware, at the time that it encouraged the companies to enter into the cartel, of the effect it would have on domestic prices? Does the Prime Minister allege that his government instructed the other participants in the cartel to ensure that the domestic prices were not affected?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member prefaced his question by saying that we have to deserve trust. I was not asking for trust for myself. I know I do not have it from the hon. member. I was asking him to trust Mr. John Brown and Mr. Calvin Goldman. Can the hon. member make the allegation that he does not trust them? Is that his position?

Mr. Beatty: Release the documents.

Mr. Trudeau: If that is his position, then there is nothing I can do.

Some hon. Members: Hear, hear!

EXERCISE OF PRIME MINISTERIAL RESPONSIBILITY

Mr. Edward Broadbent (Oshawa): Madam Speaker, my supplementary question is for the Prime Minister on the same subject. If I heard the Prime Minister correctly, he just said that the report he alluded to was referred to the Minister of Justice and that he had no business looking at it. A very serious question has been raised, not necessarily about legal culpability here, but perhaps more important, about cabinet responsibility. Could the Prime Minister explain to us, since two senior public servants have been named, why it would not be entirely appropriate for the Prime Minister, in exercising his responsibility, to look at the report to find out if in fact the ministers who had authority over those civil servants were cognizant of the events? Surely it is the Prime Minister's responsibility to find out about what his ministers knew.

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my answer to that is my previous one. That is the duty of the Attorney General. He must look at it.

Some hon. Members: Oh, oh!

Mr. Trudeau: He must look at it and see if, in his view, there are people who should be charged, including ministers, including civil servants, and so on. That is his duty. He discharged it, not by asking himself or his own legal advisers; he discharged it by asking independent lawyers who had been working with the case for three or four years.

Mr. Clark: Who had not seen cabinet minutes.

Mr. Trudeau: And they have not seen yours on Petro-Canada, either. Therefore, that is the duty. It is not even as the Minister of Justice, but it is as Attorney General that he must decide to prosecute or not, whether to prosecute ministers or members of the opposition or civil servants. He could make an independent judgment but he preferred to leave the judgment in the hands of the very people who had written the combines report, the very people who had worked at it. That is the situation, Madam Speaker.

MINISTERS' KNOWLEDGE OF CERTAIN ACTIVITIES

Mr. Edward Broadbent (Oshawa): I have a final supplementary question. I will pay the Prime Minister the courtesy of suggesting that he did not understand the question. The question, to me, is a very serious one. There is a distinction between legal culpability and cabinet ministers' responsibilities. It is a very important distinction.

I would therefore like to ask the Prime Minister, since very serious legal allegations have not only been made, but charges are being processed, is it not a basic responsibility of the Prime Minister, in the cabinet system, to find out if his ministers knew of certain kinds of activity, whether or not they were doing anything illegal? Surely there is a basic collective responsibility of those ministers aiding the Prime Minister, to both the House of Commons and to the people of Canada. The Prime Minister, in exercising his responsibility, must be seen to be determined to get at the truth. Surely that is the issue.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I could understand that the hon. member would suggest that at some point in the proceedings I might want to do that if a charge is made against civil servants, of which there has been none, for the time being. If a charge is made against civil servants, if there is something of a proof in the courts that, indeed, they may be guilty, which I do not presume, but as seems to be the case across the aisle, then perhaps I would have to give consideration to the point raised by the hon. member. However, for the time being, there is no civil servant charged, and there is certainly no proof, of which I know, that anyone was guilty in this.

I must remind the House that there are hundreds of investigations every year by the combines investigation board. There are hundreds. They are not made public, and we never hear these screams. We are hearing them in this particular case, and because of that I repeat that the Attorney General, without consultation with cabinet, decided—and I think it was the right decision—to take the lawyers who prepared the case for Mr. Bertrand.

I come back to the question, and I repeat that if it appears that some civil servants are, indeed, guilty of something, I imagine then the suggestion made by the Leader of the New Democratic Party would follow, and I would certainly have to consider it very seriously.

DATE WHEN GOVERNMENT BECAME AWARE OF CARTEL'S DOMESTIC EFFECT

Hon. Bill Jarvis (Perth): My question is directed to the Prime Minister. I wonder if he could tell us at what point in time did the government of which he was head become aware that the activities of the cartel were affecting not only the international price—which he quite rightly said is not illegal—but at what point in time did he become aware that those activities may have also been affecting the domestic price?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot say this out of knowledge or out of memory. I can say, out of subsequent information I received, that it was likely around 1975. It was several years, I think three years after the international agreement had been made, that this international cartel began to have some possible effects within our country. Once again, I am repeating information I received at the time, and which would have to be checked for accuracy of dates. Until then, there had been no demand for uranium in Canada. It was only around the mid seventies that this demand arose.

Once again I refer to the judgment cited by the Attorney General earlier in this Question Period. It was judged that the regulations that we had made regarding the international cartel did not apply to actions to fix prices in Canada. That is the whole essence of the case, if there is one, made by Mr. Bertrand.

At some point, long after the government had created this international cartel, there was a possibility of fixing prices in Canada. From the beginning we have taken the position that illegal activities were carried on in Canada to the detriment of consumers under the umbrella of some international cartel which was legal—I note the hon. members words, which are contrary to that of his own leader—under the cover of an international cartel which was legal. Then, if illegalities were committed in Canada, it is indeed the job of the combines commission to investigate into them, and to decide whether to prosecute or not. That is the situation, Madam Speaker.

FILING OF COMPLAINT BY ONTARIO HYDRO

Hon. Bill Jarvis (Perth): What is disturbing about the chronology, in my supplementary question to the Prime Minister, is that if he became aware in 1975, he was surely aware of the enormous purchase in 1977, in Ontario. I believe that Ontario Hydro filed a complaint at some time during that period. I would like to know what the government did, if anything, in that regard. More particularly, what is disturbing me is that if the named but unindicted co-conspirators, a deputy minister or assistant deputy minister, and another official of that department, were aware that the activities were affecting the domestic price and were therefore illegal, are we to be led to believe that the then deputy minister and the then minister or ministers were unaware of this?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member cites the chronology and I think he

said that—was it 1975 or 1976 that the hon. member said the hydro—

Mr. Jarvis: I think it was 1977.

Mr. Trudeau: It was 1977. The hon. member asks about what we did when someone complained. I do not remember that complaint, but the answer is quite obvious. In that very year, in 1977, the then minister of consumer and corporate affairs, and I believe it was the hon. member for Notre-Dame-de-Grâce-Lachine East, asked Mr. Bertrand to investigate; and it was as a result of that investigation, started in 1977, at the very time that the hon. member says we should have started doing something, that we started, at that time, the inquiry—

Mr. Baker (Nepean-Carleton): 1975.

Mr. Trudeau: —about which we are now talking.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that I have received the following communication:

RIDEAU HALL
OTTAWA
GOVERNMENT HOUSE

July 8, 1981

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 8th day of July, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary to the
Governor General

* * *

[*English*]

PETITIONS

MR. WILSON—RESOLUTION OF POSTAL STRIKE

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the fifty-ninth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Etobicoke Centre (Mr. Wilson) and finds that it meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Mr. Marcel Roy (Laval): Madam Speaker, on behalf of my fellow committee members, I have the honour to present in both official languages the second report of the Standing Committee on Health, Welfare and Social Affairs.

[*Editor's Note: For text of above report, see today's* Votes and Proceedings.]

* * *

[*English*]

HOUSE OF COMMONS

USE OF UNPARLIAMENTARY LANGUAGE BY MR. ANDRE

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know if Your Honour has yet had a chance to see the blues. I have not seen them myself, but I think this would be the point to remind the House that we distinctly overheard the hon. member accuse me of lying, or telling lies, something to that effect.

Some hon. Members: Oh, oh!

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Prime Minister (Mr. Trudeau) indicated that during the course of his remarks I shouted over something along the lines of interrupting him in the course of a lie. He is correct. That is what he heard. I will remove the word "lie" and substitute "cover-up".

An hon. Member: Tongue in cheek is good.

* * *

● (1510)

EXTERNAL AFFAIRS

TABLING OF SEVENTEENTH ANNUAL REPORT OF ROOSEVELT-CAMPOBELLO INTERNATIONAL PARK COMMISSION

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have the honour to table in both official languages the Seventeenth Annual Report of the Roosevelt-Campobello International Park Commission.

Order Paper Questions

INTERNATIONAL LABOUR CONFERENCE

TABLING OF CANADIAN POSITION RESPECTING CONVENTIONS AND RECOMMENDATIONS

Hon. Gerald Regan (Minister of Labour): Madam Speaker, pursuant to the provisions of Standing Order 41(2), I wish to table in both official languages a document entitled "Canadian Position with respect to Conventions and Recommendations adopted at the 65th Session of the International Labour Conference, Geneva, June, 1979."

* * *

[*Translation*]

PENSION ACT COMPENSATION FOR FORMER PRISONERS OF WAR ACT

MEASURE TO AMEND

Hon. J. Gilles Lamontagne (Minister of National Defence) moved for leave to introduce Bill C-82, to amend the Pension Act and the Compensation for Former Prisoners of War Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,291, 2,372, 2,432, 2,601, 2,611 and 2,684.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

CONTRIBUTIONS TO ASSOCIATIONS FOR THE HANDICAPPED

Question No. 2,291—**Mr. Herbert:**

Does the Department of Employment and Immigration contribute to associations for the handicapped and, if so (a) which associations (b) what amount was (i) contributed in each of the past three years (ii) budgeted for 1981-82?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): In so far as the Canada Employment and Immigration Department is concerned, the reply is as follows: Yes. (See list below).

(a) Name of Associations	(b) (i) Amount of Contribution		
	1978-79	1979-80	1980-81
Cerebral Palsy Association of Alberta	622.05		
Coalition of Provincial Organizations of the Handicapped	16,000.00	5,000.00	
Canadian National Institute for the Blind	364,427.00	419,218.00	533,659.00
National Institute on Mental Retardation		4,000.00	
Social Planning Council of Ottawa-Carleton		36,292.00	97,824.00
Churchill Park Greenhouses			2,500.00
Ontario Welfare Council			3,500.00
Saskatchewan Association of Rehabilitation Centres			3,735.00
Canadian Paraplegic Association	55,586.00	58,594.00	115,441.00
Rehabilitation Foundation for the Disabled (Ontario March of Dimes)			37,347.00
Metro Area Community Service Board for the Deaf			23,185.00
Metro Mental Health Planning Board		26,722.00	31,250.00
Saint John Centre for Services to Handicapped Inc.			17,246.00
Key Outreach	18,959.00	23,459.00	5,949.00
Saint John Hearing Society Inc.		17,520.00	19,768.00
Association des Sourds du Nord-Est		10,744.00	2,819.00
Moncton Community Residences Inc.			8,774.00
Centre Marronniers Inc.	82,516.00	78,653.00	83,437.00
La Jeune Chambre de St-Hyacinthe			29,020.00
L'Arrimage (Dr. Jacques MacKay)	60,563.00	110,889.00	105,050.00
Centre point d'appui de Lanaudière			23,596.00
La Corporation du Journal des Handicapés du Québec	92,895.00	111,241.00	90,203.00
Jewish Vocational Services of Metro Toronto	59,801.00	37,943.00	58,518.00
Placing Assessed Trained Handicapped	78,814.00	78,814.00	63,056.00
The World of One in Seven Inc.	57,786.00	19,736.00	46,650.00
Windsor Western Hospital Centre	49,541.00	42,602.00	70,266.00
Epilepsy Association	64,035.00	23,909.00	21,716.00
Manitoba League of the Physically Handicapped	25,044.00	63,791.00	90,668.00
Battleford's Employment and Rehabilitation Program			60,553.00
Distinctive Employment Counselling Service	161,426.00	168,393.00	164,753.00
Polaris Board of Sponsors—% Assoc. for Mentally Retarded	66,434.00	60,985.00	82,791.00
Citizen Advocacy of Powell River		8,884.00	10,001.00
Calgary Association of Self-Help			37,779.00
Halifax Association for the Deaf	40,696.00	31,289.00	
Horizon-Travail (Jacques Lévesque)	43,225.00	25,394.00	
Essor 1 (Denise Beauregard and Michel Bellemare)	17,813.00	19,878.00	
Kiwanis Club of Cambridge Inc.		28,285.00	
Family Service Bureau of South Waterloo	40,830.00	7,021.00	
Handicapped Manpower Centre (Bruce Northam)	88,494.00	43,000.00	
Hearing Handicapped Association Inc.	33,743.00	16,258.00	
La Fondation HSPM		54,315.00	
La Croisée (Richard Rious)	72,938.00	70,874.00	
Le Tournesol (Jacques Audet and Pierre-Paul Bélanger)	42,971.00	38,087.00	
Service de placement pour déficients auditifs (Denise Beauchamp)	32,164.00	34,651.00	
B.C. Coalition of the Disabled	26,316.00	15,862.00	
Occupational Training Centre	8,147.00		
Conseil Québecois des Ateliers de Réadaptation Inc.	23,483.00		
Carrefour de Services (Guy Germain)	19,614.00		
Service de Main-d'œuvre aux Handicapés (Jean-Marie Laprise)	3,234.00		
Mini-CMC (Julien Roy)	7,211.00		
Essor II (Yves Gagnon)	2,969.00		
H.E.E.D. Society	60,681.00		

In addition in 1978-79, 695 projects involving the handicapped were the recipients of $17.7 million from our department; in 1979-80, 545 projects received $11.91 million and in 1980-81, 636 projects received $16.2 million.

(b) (ii) At this time of this fiscal year it is not possible to give a meaningful response since specific allocations for next fiscal year have not yet been made.

HERD MAINTENANCE PROGRAM, DROUGHT REVIEW BOARD—COSTS

Question No. 2,372—**Mr. McKnight:**

What is the cost to date of the (a) Herd Maintenance Assistance Program (b) Federal Drought Review Board in terms of (i) administration (ii) total payout (iii) other costs?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: as at April 10, 1981, the cost of:

(a) Herd Maintenance Assistance Program	
(i) administration	$ 636,000
(ii) total payout	31,654,000
(iii) other costs	256,000
(b) Federal Drought Review Board	
(i) administration	$ 165,000
(ii) total payout	2,726,000
(iii) other costs	None

CANADIAN ARMED FORCES—PERCENTAGES OF OFFICIAL LANGUAGES

Question No. 2,432—**Mr. McKinnon:**

What proportion in each rank of (a) the Canadian Armed Forces (b) Maritime Command (c) Mobile Command (d) Air Command (e) personnel not allocated to Maritime Command, Mobile Command or Air Command is (i) anglophone (ii) francophone?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): (a), (b), (c), (d) and (e) (i) and (ii) See list below for officers, list below for other ranks.

Proportion in Each Rank of Anglophones/Francophones (Officers) in:

	Gen	LGen	MGen	BGen	Col	LCol	Maj	Capt	Lt	2Lt	Ocdt	Total
(a) Canadian Armed Forces												
Anglophone	100.0	57.1	91.3	83.1	88.5	87.3	85.6	82.3	74.4	80.3	66.5	79.99
Francophone	0.0	42.9	8.7	16.9	11.5	12.7	14.4	17.7	25.6	19.7	33.5	20.01
(b) Maritime Command												
Anglophone		100.0	100.0	100.0	93.3	93.5	93.5	90.2	84.9	95.6	84.6	90.21
Francophone		0.0	0.0	0.0	6.7	6.5	6.5	9.8	15.1	4.4	15.4	9.79
(c) Mobile Command												
Anglophone		0.0	100.0	66.7	70.8	66.2	70.6	74.1	69.2	70.6	54.4	71.27
Francophone		100.0	0.0	33.3	29.2	33.8	29.4	25.9	30.8	29.4	45.6	28.73
(d) Air Command												
Anglophone		100.0	100.0	80.0	97.0	89.6	88.0	86.0	76.7	82.6	76.2	83.7
Francophone		0.0	0.0	20.0	3.0	10.4	12.0	14.0	23.3	17.4	23.8	16.3
(e) Not in Marcom, Mobcom or Aircom												
Anglophone	100.0	50.0	89.5	84.1	88.5	88.6	86.1	80.2	66.2	75.0	64.4	77.91
Francophone	0.0	50.0	10.5	15.9	11.5	11.4	13.9	19.8	33.8	25.0	35.6	22.09

NOTE: Data valid as of March 31, 1981

Proportion in Each Rank of Anglophones/Francophones (Other Ranks) in:

	CWO	MWO	WO	Sgt	MCpl	Cpl	PTET	PTEB	PTER	Total
(a) Canadian Armed Forces										
Anglophone	83.0	82.2	80.6	79.6	75.9	70.9	69.7	66.2	68.3	71.67
Francophone	17.0	17.8	19.4	21.4	24.1	29.1	30.3	33.8	31.7	28.33
(b) Maritime Command										
Anglophone	96.2	92.9	92.6	90.3	84.9	84.0	83.7	83.4	100.0	86.54
Francophone	3.8	7.1	7.4	9.7	15.1	16.0	16.3	16.6	0.0	13.46
(c) Mobile Command										
Anglophone	65.1	68.6	67.1	67.2	67.4	60.4	63.5	63.4	90.3	64.37
Francophone	34.9	31.4	32.9	32.8	32.6	39.6	36.5	36.6	9.7	35.63
(d) Air Command										
Anglophone	87.8	84.1	83.5	84.0	80.2	73.0	68.8	72.4	71.4	72.96
Francophone	12.2	15.9	16.5	16.0	19.8	27.0	31.2	27.6	28.6	27.04
(e) Not in Marcom, Mobcom or Aircom										
Anglophone	81.4	81.1	79.7	75.7	73.6	71.0	67.6	56.2	67.5	69.81
Francophone	18.6	18.9	20.3	24.3	26.4	29.0	32.4	43.8	32.5	30.19

Legend

PTET—Private trained
PTEB—Private on basic training
PTER—Private recruit

NOTE: Data valid as of March 31, 1981

Order Paper Questions

DEPARTMENT OF THE ENVIRONMENT—CONTRACT TO CANADIAN PRINTCO LTD.

Question No. 2,601—**Mr. Stewart:**

1. Did the Department of the Environment purchase perfect bound books valued at $90,000 from Canadian Printco Ltd. and, if so (a) what was the (i) title (ii) number printed (iii) cost per book (b) to whom are the books being distributed?

2. Were public tenders called and, if so, in each case, what was the name of the bidder and the amount?

Hon. J.-J. Blais (Minister of Supply and Services): 1. DSS awarded a contract to Canadian Printco Ltd., on behalf of the Department of the Environment, for the amount of $90,000.

(a) (i) Manuscript Report "Travail Inédit".

(ii) The contract calls for 50 different issues of 75 to 100 copies with an option of up to 20 additional issues.

(iii) Unknown since no invoice has yet been received. The cost will vary depending upon the number of pages per issue and the number of copies of each issue printed.

(b) Mr. D. Cright, Environment Canada (five copies)
Mr. B. Fry, Parks Canada (five copies),
National Historic Parks and Sites (other copies)
Room 140, 1600 Liverpool Court,
Ottawa, Ontario.

2. Public tenders were called via the Printing Products Centre bulletin board tendering system in Winnipeg, Toronto, Ottawa/Hull and Quebec. In response the following firms submitted bids and the details are as follows:

Campbells Printing Hull, Quebec.	$1,509.00 for 75 copies of 100 pages. $1,510.00 for 100 copies of 100 pages.
Canadian Printco Ltd. Montreal, Quebec.	$463.00 for 75 copies of 100 pages. $492,50 for 100 copies of 100 pages.

ENERGY, MINES AND RESOURCES—CONTRACT TO CANADIAN MEDIA CORPORATION

Question No. 2,611—**Mr. Stewart:**

Did the Department of Energy, Mines and Resources award a contract in the amount of $100,000 to Canadian Media Corporation for the acquisition of media time and space and, if so (a) what was the total amount of media time and space (b) what was the corporation's commission?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract to Canadian Media Corporation, on behalf of the Department of Energy, Mines and Resources for the acquisition of media time and space.

(a) The amount of $100,000 was to be spent to place advertisements in daily and weekly newpapers in the province of Quebec in support of the Canadian Oil Substitution Program.

(b) Nil.

MINISTERS, ACTING MINISTERS

Question No. 2,684—**Mr. Beatty:**

What is the name of the (a) minister (b) acting minister (c) second acting minister of each department?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): See Order in Council P.C. 1980-2824, tabled in the House of Commons February 10, 1981, Sessional Paper No. 321-1/205A.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Hon. J.-J. Blais (Minister of Supply and Services) moved that Bill S-10, to amend the Corporations and Labour Unions Returns Act, as amended, be agreed to.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Madam Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Blais moved that the bill be read the third time and do pass.

[*English*]

He said: Madam Speaker, in moving that Bill S-10 receive third reading at this time, I should like to call attention to all the co-operative effort that has gone into getting the bill to this point in the legislative process. I have in mind the recent deliberations at second reading, slightly more than two weeks ago, when a number of hon. members from the other side rose to express their views on this bill to amend the Corporations and Labour Unions Returns Act or, as we call it, CALURA. The same spirit of participation continued to manifest itself as the bill received further review and study before the Standing Committee on Miscellaneous Estimates.

During the last two days of June the committee worked hard to further improve the legislation wherever possible.

[*Translation*]

Thanks to those exhaustive deliberations the committee was able to complete its work rapidly and tabled its report last Thursday, July 2.

Mr. Speaker, according to the report, the Standing Committee on Miscellaneous Estimates had adopted two rather significant amendments. The first, under clause 3(1)(*a*), raises the threshold of corporate returns from $5 million in assets, as was originally proposed, to $10 million, and from $10 million to $15 million in gross revenue. The second, under clause 3(1)(*b*), also raises the threshold of corporate returns on the basis of equity or long-term debt obligations of persons not resident in Canada from a total amount of $100,000 to a ceiling of $200,000 for various equities and long-term debt obligations owing to persons or associates not resident in Canada.

[*English*]

I have cited the substance of these two amendments so that the considerable benefits that flow from them will be fully appreciated. The overriding benefit is relief from paperwork for more than—would you believe—96,000 Canadian-owned corporations, 6,000 more than was the case before the committee began deliberations a few short days ago.

When this legislation was first introduced in the House some three and a half years ago—it has been a long time coming—as Bill C-7, it was estimated that some 70,000 relatively small Canadian-owned corporations would be exempted from reporting under CALURA.

The threshold for reporting now proposed—that of $10 million in assets or $15 million in sales—is more in line with the conditions prevailing today and the original intent of the act.

It is a source of satisfaction to me that, numerically, the greatest relief from reporting will take place in those industries where the smaller, Canadian-owned company is most prevalent. Coming from northern Ontario where most corporations are small, I am pleased that the impact of this bill will be felt in rural regions, including the northern region of this province.

Based on estimates related to corporate activity in 1978, we find that 11,420 Canadian-controlled companies in the construction industry will be exempt; only 526 will be obliged to report, along with 205 foreign-controlled companies. Similar generous exemptions will prevail in the wholesale, retail and services industries. The most dramatic decrease in the reporting requirement will come within the agriculture, forestry and fishing segment. On the same basis, there will be exemptions for 5,113 Canadian corporations, leaving only 56 corporations to report.

[*Translation*]

Overall, 96,800 Canadian-owned companies will be exempt from reporting if Bill S-10 is passed in its present form.

And now, Mr. Speaker, given those significant figures, we have every right to ask the following question: Will there be enough companies left to report under CALURA so as to appropriately meet our needs? In other words, will CALURA have the same impact and the same *raison d'être* after those exemptions? Let me assure the House that the integrity of CALURA will not be jeopardized in any way.

[*English*]

We have made an analysis based on the new threshold. It shows that in terms of assets, over 81 per cent of all corporate activity in Canada will be recorded on the CALURA questionnaire. Notwithstanding the 96 corporations that we have eliminated, I repeat, 81 per cent of corporate activity will be caught by the statute.

Pursuing the analysis industry by industry, we discover that future reporting under CALURA will include companies with over 85 per cent of all manufacturing assets, in mining, approximately 95 per cent and in utilities about the same percentage. In the entire non-financial segment, over 76 per cent, and in the finance sector 85 per cent, will be required to report. We, therefore, have a happy situation whereby through Bill S-10 we can exempt all but 17,000 Canadian-owned companies and at the same time capture the information considered essential.

To conclude this review of the new thresholds and their impact on business, I should like to point out that under the bill before us today there will be slightly more than 9,000 foreign-owned companies that will be liable to report ownership data—and I do stress, ownership data. Canadian-controlled corporations that also have to report would total just under an; under an amended CALURA and under the proposed amendments, less than 8,000 companies will have to report consolidated financial information. Only about 2,000 companies will have to complete the schedules on technology transfer.

● (1520)

In other words, with passage of Bill S-10 we will have a streamlined, up-to-date piece of legislation providing us with the information we need with the least possible amount of paperwork.

I hope that we can conclude third reading of this bill today. These amendments, having been in the legislative process for years, are now ready. As I have indicated, their time has come. I reiterate what I said earlier, that I appreciate the co-operation and the contribution that has been made in improving this bill by members of the committee. The bill has come out of committee improved, although at the outset when proposals were being made I had some doubt. We now have an up-to-date bill which we have been trying to get through the legislative process for about three and a half years. Hopefully, we are now in the last 20 or 25 minutes of debate on it. I would be very pleased if it were possible for this bill to be passed this afternoon.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I have a few brief comments to make on third reading of Bill S-10. In many ways I support what the minister has said. In fact, I think we have before us today an example of what can happen in this place sometimes when there is some co-operation between the government of the day, the minister of the day and all members of the House of Commons. I do not think there has been any serious disagreement that some bill in the form of S-10 is overdue. The main disagreement was whether we were sure that the threshold limits as originally proposed in Bill S-10 are low enough to ensure that many of the comparatively small businesses will not be caught up in this unnecessary paper burden in the future.

As the minister indicated during the committee hearings, there was discussion and then agreement that there should be amendments raising the threshold in the case of revenue in each company from $10 million to $15 million a year and in the case of assets raising the limit from $5 million to $10 million per year. In the case foreign subsidiaries, there was a rather complicated section which would have required companies doing business here who happen to have a mere $200,000 of foreign investment to file in accordance with the act. We were able to get the minister's agreement and also the committee's agreement to have that requirement amended so there is a much more reasonable threshold limit all round.

In short, I see no reason to delay the bill further. I hope the Senate will agree with the changes that have been made in this House.

In handling this bill in future months and years, I hope the minister will always bear in mind, and he gave us his undertaking in committee, that if there is any suggestion of an undue paper burden remaining on small businesses, he will take the steps provided for in the bill to relieve that paper burden still further, and perhaps raise the threshold even higher. He has indicated from across the House that he is writing it in blood today. I am sure if we can get this minister to write such a commitment in his own blood—

Mr. Blais: I was touching wood!

Mr. Stevens: The minister says he is touching wood. Perhaps that is something like what he has in his veins, I am not sure.

In short, I do not think there is any particular difficulty on our side of the House with the bill in its present form. I hope that in future years whoever has responsibility for this bill will always bear in mind that if it can be altered to relieve business still further from the necessity of having to file unnecessary paperwork, then at the earliest opportunity that will be done.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too are pleased that the government was willing when this bill was in committee to make a number of amendments to it and to make it a bill that is generally more acceptable.

Speaking on behalf of trade unions in this country, I can say that in general they do not like the Corporations and Labour Unions Returns Act, but they would rather have it with the amendments proposed in Bill S-10 than as it stands at the present time.

Therefore, we are prepared to give third reading to this bill.

Motion agreed to and bill read the third time and passed.

* * *

VETERANS' LAND ACT

MEASURE TO AMEND

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs) moved that Bill C-79, to amend the Veterans' Land Act and to amend the Veterans Benefits Act in consequence thereof, be read the second time and referred to the Standing Committee on Veterans Affairs.

He said: Mr. Speaker, it is a great pleasure for me to introduce this bill today. It is a very complex bill in that it took about four or five years to get through it, legally and otherwise.

In proposing these amendments to the Veterans' Land Act, the government is acting to bring this legislation into accord with current social conventions. This legislation has been a valuable ally of veterans and their families for almost 40 years. Now, however, the act needs to reflect the changes that are taking place in our society.

Our amendments will ensure that the Veterans' Land Act no longer frustrates the aims of family law legislation in many provinces. In addition, these amendments will allow the veteran greater freedom in planning his estate. But as we move to amend the Veterans' Land Act, let us pause to review its benefits.

[*Translation*]

Close to 144,000 veterans have been getting these benefits. In excess of $1.34 billion in public funds have helped to set up veterans on farms, on small homesteads or as commercial

fishermen and trappers. They have also been helped in continuing to be real Canadians and to be very active in today's society.

Even now, close to 38,000 veterans still live on properties which come under the Veterans Land Administration. Our country has gotten its fair reward. We also have gotten ours since so many gallant people have been able to settle on the land for which they had fought. Very few parts of this country have not benefited from the Veterans' Land Act, and this has resulted in a healthy growth for Canada.

Moreover, many of these small homesteads are now prosperous farms that are in a position to feed thousands of people overseas and to make a major contribution to our gross national product. However, in spite of its acknowledged success, the Act is now seen as inadequate by groups or individuals who are concerned about women's rights.

[*English*]

The spouses of veterans, the vast majority of whom are women, enjoy no legal interest in the land on which they live. And as more than 90 per cent of all outstanding VLA agreements represent the matrimonial home, it is little wonder that our present legislation has been termed unjust in this area.

However, any shortcomings in the act have developed accidentally. The first priority of those legislators back in 1942 was to protect the veteran. The earlier Soldier Settlement Act had met with mixed success. The legislators wanted to restrict individual failures to a minimum. They surrounded the veteran land holder with safeguards.

As a result, whenever a veteran went to apply for a conditional grant and a subsidized interest rate loan, he also received protection. In a typical situation, the director of Veterans Land Administration purchased a property for the veteran and held title to it until the debt was repaid. The veteran was designated as a tenant at will and on a direct legal basis was considered to have no recognized financial interest in the property during the period of the contract. This arrangement ensured that the veteran was immune to any action taken by would be creditors.

● (1530)

[*Translation*]

In the early days of the VLA, such agreement was most beneficial both to the veteran and to the Crown. Both received considerable benefits. In the case of the veteran, the land was protected against any lien which could have represented a very heavy responsibility for the veteran leaseholder. As for the Crown, it merely could regain possession of the property and hand it back to another eligible veteran if need be.

However, Mr. Speaker, the spouse, the wife in most cases, had no right to any of the benefits provided in this mutually profitable agreement. Let us think for a moment of the case where the young wife had helped her husband with the down-payment for the purchase of the family home. Let us think also of the rather frequent case of the wife bringing along property which would make the couple's farm more productive. If the husband was a veteran and if the couple decided to avail themselves of the benefits available under the Veterans Land Act in order to expand or improve their property, the wife had to waive any property right she had even to whatever assets she had personally contributed. Such a situation is not good enough today in 1981, but in 1942, the legislators did not see any harm in it. Times have changed.

[*English*]

But as we well know, society has changed and veterans are not isolated from the joys and disappointments of marriage. There has been a dramatic increase in the number of cases before the courts for divorce, legal separation and property settlement. And along with the increase in marital breakdowns has come the valid charge that the Veterans' Land Act is not in concert with today's realities.

The reason is that with no dower, homestead of family rights in the veteran's property, the spouse is clearly at a disadvantage. Such a situation contradicts the purpose of the far-reaching changes that have been made in family law legislation in a number of provinces.

Such provincial legislation states, in effect, that irrespective of who holds title to the matrimonial home the statutory presumption is that on divorce or on marriage breakdown each spouse is entitled to a one-half interest in the matrimonial home.

Even in provinces where such legislation exists, the VLA property is virtually immune to the joint ownership principle. The wife can ask the court to declare that she has an interest in the property to be held in trust by the veteran, but this involves expensive legal action and many spouses are unaware of the legal intricacies. In addition, any interest she may receive will be of no benefit until the loan is repaid.

Away from the unhappiness of a family court, our present legislation can be a source of irritation for those many couples who still enjoy a happy marriage. By restricting the property agreement to the veteran alone, and by making him, in effect, a tenant on his own land, the legislation hampers estate planning.

[*Translation*]

The Government has been trying for some time now to find an honourable and efficient way of solving this problem. We had to protect the vested interests of veterans in wartime while acknowledging the justified claim of the spouse who was not a veteran. More specifically, the properties involved are as much owned by the Crown as this Parliament. Mr. Speaker, I think that this amendment is the logical and acceptable solution under the circumstances.

[*English*]

First, we are proposing to amend Section 37 of the act in order that the spouse has rights in the matrimonial home as provided by provincial legislation.

[*Translation*]

For equity's sake, Mr. Speaker, we also suggest a second amendment. It would allow the voluntary conversion of the sale contract to a mortgage when a 10-year conditional grant had been received. There is no change whatsoever in the interest rates provided for in the contract. Such a conversion to a conventional mortgage is acceptable to many veterans and their spouses anxious to hold the titles on their assets and funds as well as their ownership rights.

[*English*]

Before concluding, I would like to state that prior to introducing this legislation we consulted with the Royal Canadian Legion, the veterans' association and the commission on the status of women who reacted favourably to this bill. I am sure we can agree that this is a good bill and that it should be passed quickly.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have the honour to reply on behalf of Her Majesty's loyal opposition with respect to Bill C-79. As a veteran I have a personal interest in veterans' legislation and it is with real interest and concern that I address this bill. It is a bill I think veterans will approve and it is one lawyers will also applaud. I shall return to this aspect later in my remarks.

Before I address the various provisions of this bill—and I say this for the interest of the Chair—I would like to make a few favourable and complimentary comments on the Veterans' Land Act, its implementation, application and administration. These comments should make it clear why the PC party supports the proposed legislation.

It is a sad fact of life that memory is imperfect. Few, if any, could reconstruct with accuracy what it was like to return to Canada following the Second World War, or, conversely, what it was like to welcome home the veterans of foreign wars. Major readjustments were necessary for both veterans and civilians.

Fortunately, Parliament had acted three years earlier to pass the Veterans' Land Act, a major rehabilitation program designed to assist veterans in their return to civilian life. Under this act a veteran could receive financial assistance to purchase land for the purpose of full or part-time farming or commercial fishing. The financial assistance received would be repayable in the same way a mortgage would, save that title to the property would be held by the director of the Veterans' Land Act until such time as the veteran had repaid the loan.

Subsequent amendments to this act extended its provisions to include veterans of the Korean war and to assist those veterans wishing to construct their own homes.

By making funds available to veterans to acquire land, the Veterans' Land Act enabled some 144,000 of our veterans to re-enter civilian society quickly and productively. Indeed, in 1980 there were still over 40,000 veterans covered under the act.

With the passage of time it became necessary for Parliament to commence the phasing-out of this program. As a result, in March, 1977, loans under the act came to a halt, meaning that we have entered the final phase. Once all loans have been repaid and all titles to the various properties transferred, the Veterans' Land Act will for all intents and purposes have completed its job. This is expected to occur in the year 2007, 26 years from now.

Over the years since its enactment in 1942, the administration of the Veterans' Land Act has been excellent. The Auditor General's report spoke highly of the program and, to my knowledge, the Royal Canadian Legion has never had a serious complaint with the administration of the program. Hence, it is to the credit of the department that we can attribute the success of the Veterans' Land Act. All of which is not to say that updating amendments are not necessary, and it is to the legislation before us that I would now like to direct my comments.

Bill C-79 will be welcomed by many segments of our society. Lawyers will be happy to see the end of the cumbersome and long forms of agreement they were never able to explain to veterans. By virtue of the changes in this bill, veterans will be enabled to acquire title in their own right to the land which they occupy by way of deed. They will be able to show whatever debt or encumbrance is registered against those lands by way of charge or mortgage, just as any other person can do.

Spouses of veterans, most of whom are women, will welcome the bill, bringing as it does today's concept of spousal rights in property that she probably spent years in assisting to improve. This was a major recommendation of the Progressive Conservative Party and this minister's predecessor in office, the hon. member for Victoria (Mr. McKinnon). Only in one area do I have a question, and that question relates to Clause 7 which repeals former Section 24 and substitutes a new Section 24. This section refers to the sale of lands held by the director under a contract with the veteran and where, as a result of that sale, there are moneys owing to the veteran, a surplus if you will, after the payment of debts and costs accruing to the veteran. That surplus is due and owing to the veteran.

● (1540)

The section goes on to provide that where the sale is made on a term basis, the director may make payment to the veteran, as the director determines payment to be warranted. I know what is intended here. It is that payment cannot be made to the veteran until payments under that term agreement are received by the director. However, it seems to me that the section could have been phrased differently to avoid what appears to be an absolute discretion in the director to pay over the surplus moneys dues and owing to the veteran, at a time when the director at his own discretion feels payment is warranted. The clause could even go on to say that the director should make payment to the veteran as payments are received by the director, and I trust that the minister will find time to take the opportunity to give the House some assurance on that particular point.

As I stated earlier, the Veteran's Land Act was a singularly good one, as has been its administration. The long-standing

complaint of the Conservative party, that the act did not address itself to the rights of the spouse, has now been answered and, as such, we are happy to lend our support to the bill.

It would be remiss of me, however, amid all the magnanimity, not to say that, with the spirit of co-operation which the government now sees from the Conservative party, we expect additional veterans' legislation to follow. Specifically, given the advancing age of our veterans, the phasing-in period of the provisions of Bill C-40 regarding widows whose husbands were in receipt of less than 48 per cent disability pensions should be shortened. The lengthy pension application delays are fast approaching the level of a national disgrace and we would expect the government to act quickly on this matter.

Further, the payment of prisoner of war compensation should be changed to add to, not subtract from, disability pensions veterans might be seeking. It is ridiculous to speak of prisoner of war compensation when in fact the resultant payment is not better or worse than a disabled veteran would ordinarily receive.

Finally, in these troubled financial times pension increases should be based on a meaningful index that will reflect current inflation rates, not the government's chimerical hopes. We hope the amendments presented will remedy some of those complaints. Bill C-79 is a good bill. It is one that follows the recommendations of this party and I look forward to the introduction of those further amendments in the very near future. I thank you, Mr. Speaker, and I thank the minister through you.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very happy to indicate our full support for Bill C-79 which is now before us. If it is possible to be happier still, that is what I shall be in a day or two when we have before us Bill C-82. It will be a day to which I look forward.

My hon. friend, the hon. member for St. Catharines (Mr. Reid), expressed a hope about Bill C-82. The only advantage I have over him is that it got first reading today and I have seen it. I notice he was asking for the phasing-in period to be shortened. It has been wiped out altogether. That is not related to this bill, Mr. Speaker, but it is pretty important news and that bill will get speedy passage in this House of Commons.

What is before us now is Bill C-79 which has to do with the Veterans' Land Act. Like the minister who spoke in introducing this bill, like the hon. member for St. Catharines who spoke in support of it, I too want to say this has been a very important piece of legislation, passed back in 1942, the year I was first elected to this House, though it was passed before I got here. It has been of great benefit to veterans and their families across the years.

We were pleased during a certain period in the life of this Parliament, 1972 to 1974, known as the minority period, that we were able to get an extension to the lifetime of the Veterans' Land Act. We wish we could have had it extended longer, but at least it did delay a bit the cutting off of the benefits under that act.

As the minister has pointed out, there are still 38,000 cases where the title is still in the hands of the director, and that makes the two changes which are presented to us today very important.

The first one makes this a great day for veterans. It also makes it another great day in a series of days that it seems to take to achieve equality between men and women. We make speeches about needing equality. We want it right away, but the facts of life are such that we have to take a step at a time. This is an important step, and I was glad to hear the minister say that not only had he been in consultation with the Legion and other veterans' organizations, but he had also been in consultation with women's groups as well.

One understands that 40 years ago the legislation provided for the land to be that of the veteran without any special rights for the spouse, especially if there was a breakdown in marriage or if the spouse was left a widow. But times have changed and it is good that we have caught up with one of those changes. In other words, the main thing this bill does is to establish for spouses of veterans, so far as the ownership of the land is concerned, the same rights in respect of VLA land that apply in the province to properties held under civil contract. This means that if there is a breakdown in marriage the spouse who has put a good deal into the development of the property can claim her share of it. It also means that if the veteran dies and leaves the spouse a widow, her rights to that property are continued.

The other main aspect of the legislation is to provide that for a veteran who is alone, or a veteran and a spouse, the ownership of the property, instead of continuing as though he or they were just tenants on land owned by the director, would have the conventional mortgage relationship, so that a veteran or the survivor could make a sale or use the value of the VLA holding in planning the estate, planning retirement or transferring it to somebody else, and so on.

All told, this is a good piece of legislation. Though the motion before us calls for the bill to be referred after second reading to the Standing Committee on Veterans Affairs, I am sure I speak for all of us in the House when I say I would be quite happy to have it go into a Committee of the Whole in order to complete the full passage of this bill at this time.

I say again how important the Veterans' Land Act has been as a piece of veterans legislation. We are glad we are making these improvements to it. As the last speaker said, there are other matters still to be dealt with. We will deal with one of them when we get to Bill C-82, whether tomorrow or Friday. Then there are other questions, such as the speeding up of the handling of cases by the Canadian Pension Commission, and the fundamental issue of tying the rate of the 100 per cent war disability pension to the level of those five designated categories so that the increase of those pensions is automatic.

• (1550)

Those matters are not before us today, but the last thing I would want to do would be to give my friend the Acting Minister of Veterans Affairs the impression that the job is

done. He has done well to have these two matters before us now, second reading of this bill and first reading of Bill C-82 on the same day, but there are other things to do. I am sure he has the interests of veterans and their families at heart and, when we get these bills out of the way, we will be ready to move on.

As I say, we are quite prepared that this bill now be given second reading, that it be considered in Committee of the Whole and that it be given third reading this afternoon.

The Acting Speaker (Mr. Blaker): Pursuant to the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles), I understand there may be a disposition in all parts of the House that this bill proceed through all stages immediately.

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker. I join with my friend, the hon. member for Winnipeg North Centre (Mr. Knowles). We are anxious to see the matter completed and sent to the Senate as quickly as possible.

The Acting Speaker (Mr. Blaker): With the unanimous consent of the House the minister's motion will be altered so that Bill C-79 will, by unanimous consent, be referred to the Committee of the Whole. Is there unanimous agreement?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon—Mr. Blaker in the chair.

On Clause 1—

Mr. Taylor: Mr. Chairman, I would like to direct a question to the minister. Could the minister tell us when these various clauses come into effect? Is it upon proclamation or immediately upon Royal Assent?

Mr. Lamontagne: As soon as Royal Assent is given.

Clause agreed to.

Clauses 2 to 8 inclusive agreed to.

On Clause 9—*Priority of Director over mechanics' lien and other liens*

Mr. Neil: Mr. Chairman, I have a question in connection with Clause 9. I would like to ask the minister whether, by virtue of Section 37(2), the rights of a mechanics' lienholder are defeated. In other words, does the order that a wife or a dependant obtains in court giving her a claim to a property give her priority over the rights of mechanics' lienholders and thus defeat those rights?

Mr. Lamontagne: Mechanics' liens apparently do not apply until the court order is made.

Mr. Neil: It seems to me that if there are mechanics' liens registered against the title and then a wife or a dependant gets a court order against the veteran husband, then by virtue of subsection (2) the rights of the mechanics' lienholders are wiped out. I want to find out if that is correct.

Mr. Lamontagne: When a spouse goes to court, only her property is involved in this court procedure.

Mr. Lambert: Mr. Chairman, there is a little difficulty here since property rights are a provincial matter. There is nothing in the federal act which could defeat, for instance, a spouse's dower rights in a property occupied by a veteran and his spouse, although the property was in the name of the director. I am confirmed in that.

Subsection (2), appearing at line 28 says, and I quote:

> Notwithstanding any other provision of this Act, an order made or a judgment rendered by a court of competent jurisdiction to recognize or enforce the rights, interest or estate of the spouse or a dependant of a veteran in land that is the subject of a contract of sale, mortgage or hypothec under this Act applies to and is binding on the land subject to the rights, interest or estate of the director in the land.

So therefore those dower rights and what have you are not wiped out. The director has an interest in them, just like a mortgage company has an interest in land which is ahead of dower rights, provided the spouse has signed her consent under dower legislation. In any event, with the greatest respect, I cannot see how any federal act dealing with land could affect property rights in any of the provinces. Therefore, such spouse interest that arises under a dower act, as in the province of Alberta, my own province, could not be defeated by any legislation in this House. However, there is, in my humble opinion, no such attempt here. The legislation here only confirms what is in existence.

Mr. Lamontagne: According to officials the hon. member's reasoning in the way he states it is not exactly correct. It does not change anything because at the moment the wife has no recognized interest in the property itself. However, this will give her a right with respect to the property, so it is completely changed instead of retaining the status quo.

Mr. Taylor: Mr. Chairman, the new provisions in this particular bill will be advantageous with respect to current cases and cases in the future, but our veterans are largely from the Second World War. It has been quite a while since 1946, and there has been a number of cases in which these provisions were not applicable because they were not in the law. Is there any provision whereby these provisions, which would have been applicable had they been the law, could now be made applicable to such persons?

Mr. Lamontagne: Would the hon. member repeat his question so that my official can understand exactly his meaning?

Mr. Taylor: I would be glad to, Mr. Chairman. The provisions of this bill now make certain benefits available to spouses. These benefits have not been available to spouses since 1946 and will not be until this bill becomes law. Conse-

quently, there have been some very sad cases. Is there any provision in this bill which would make it possible to go back and rectify some of the things which have happened?

Mr. Lamontagne: Mr. Chairman, there is no retroactivity, but the cases which are in court now can come back in new court cases under the new bill.

Mr. Taylor: But any case not in court now is out?

Mr. Lamontagne: Yes, it is out.

Mr. Taylor: That is rather sad because the bill comes in just about 30 years too late to help many people. I do not know whether the minister and his officials are aware that there may only be a handful, but there have been some cases which have been very unfortunate and sad.

• (1600)

We like to treat our veterans and their spouses in a way we can be proud of. Since almost 40 years have gone by since the end of the war—there are very few veterans left from the First World War—it seems to me that where there is definite evidence that something has been done which should be rectified, if that could be done it would certainly be appreciated by veterans all over Canada who do not have any particular interest in this bill at the moment.

In many cases civilization is recognized by the way we treat our senior citizens and our veterans, particularly our veterans, because they are a particular class in this country. All veterans offered their lives to the country and so they are in a particular group. Their wives and children have suffered in a particular way over the years because many veterans left part of their lives on the battlefields. I realize retroactivity is difficult, but I would greatly appreciate it if the minister could at least look at some of these cases to see if something can be done for the very sad cases that occurred because these provisions were not available.

Mr. Lamontagne: Mr. Chairman, I can assure the hon. member for Bow River that I will see if any cases can be treated with compassion. Being a veteran and former POW myself, I can appreciate his concern and I assure the hon. member I have the same concern for these cases.

Mr. Lambert: Mr. Chairman, coming back to the question I raised before, I wonder if the minister has considered the situation of a mortgage, for instance, or any transfer from a veteran to the director on a financing transaction. If in the province of Alberta it did not contain a consent under the dower act, I am afraid the director would have been in very serious trouble. There is no way a federal law could unilaterally set aside that right of dower. That applies to anyone and everyone.

I may come back to that question because I do not think, in essence, there is very much difference now. If there had not been consent by the spouse under the dower act, or if the veteran was single at the time he sold or financed the property, with the director, then possibly the law is now being changed somewhat, but not that much.

The other very interesting point, one that no one has yet raised, is in clause 9 at the top of page 7, the definition of "spouse". Perhaps the minister would like to indicate there whether this is recognizing the, shall we say, social consideration of the so-called common law spouse in that there is provision that if her interest is recognized under the laws of a province concerning land, then naturally such an interest is recognized under the Veterans' Land Act. I think that is a step forward, although I must say I have taken grave exception, and still do, to the changes in the Veterans Insurance Act and other veterans' benefits. A veteran living common law for, in one case, one year, in other cases for three years, can set aside all the rights of a legitimate spouse who has raised a family and lived with the veteran for many years. Then the veteran for one reason or another decides to cultivate greener fields and perhaps recycle himself with a younger woman, and thereby defeats all of the legitimate interests of his spouse. I was absolutely astounded that my good friend, the hon. member for Winnipeg North Centre, did not raise an objection. I voted against it as I would right now if it were up to me because I think this is an absolute disgrace in our veterans legislation.

There are two areas of disgrace in our veterans legislation. One deals with the interests of the legitimate spouse of a veteran. Under the disability act, the Veterans Insurance Act and possibly one other act, a veteran living with a woman who is not his legal spouse gives her rights which extinguish the rights of the legal spouse. I think this is bad law, and I would hope some time to have the opportunity of discussing this with the minister so we can go back to what it was before, namely living together openly for seven years. That made it much more difficult. Frankly, right now far too much of it is open to what I might call gold digging, if that is worth anything.

I hope when we get to Bill C-82 that the minister, a former prisoner of war, will see the grave injustice done to POWs under the prisoners of war compensation act, more than 70 per cent of whom are pensioners and who find themselves disentitled either to a portion of their disability pension or of their compensation. The two are supposed to be separate, yet in the minds of the department they have been melded for these years. I hope we will have an opportunity to discuss that.

In this particular instance I think there has to be a consideration. There is no indication as to the time involved in this common law arrangement, or under what circumstances it would apply. That interpretation is left to provincial law. I think I would like to have an explanation of this. Of course, in some provinces this would not be allowed. In others it would. I suppose it is a case of the federal statute bowing before provincial jurisdiction in property and civil rights, but I wonder if I can have an explanation of the circumstances in which this definition of "spouse" is applicable.

• (1610)

Mr. Lamontagne: As far as the definition of spouse or dependant goes, I think, as we say in French "autres temps, autres mœurs". As the hon. member for Edmonton West has mentioned, we are living in another time and today "common law wife" is often defined by the courts. In cases where veterans have some problems regarding the question of marital status, we must go to the provincial court which will decide on a solution to the problem. In other words, we submit ourselves the provincial court which will eventually decide these cases.

Clause agreed to.

Clause 10 to 12 inclusive agreed to.

On Clause 13—*Persons qualified to participate*

Mr. Knowles: Mr. Chairman, since this is the last clause of this bill there is one other word I should like to say. We welcome this bill because of the recognition of equal status between men and women. I think we should add to that that the equality set out in this bill really goes all the way. For the most part we have talked about the spouse as though in all cases the spouse were female. As a matter of fact, it works both ways. If the veteran is the female then the spouse is a male and he draws the same benefits as would be the case the other way around. In other words, in this piece of legislation we have taken equality all the way. I hope we will do that in some of the other cases. I hope we will reach the point where the survivor's pension, when it involves a female, will be the same as when it involves a male. I am grateful for this provision. I can tell by the smile on the face of the hon. member for York-South Weston that she is agreeing.

As I said earlier, we welcome every step toward equality and I am glad the minister in charge of veterans affairs has taken this important one today.

Mr. Taylor: Mr. Chairman, I wish to make two comments. It is too bad that the present minister was not the minister 25 years ago, since a lot of heartache would have been avoided. It is nice to have a minister who has gone through the toughness of war. I think it does something for a person. I would like to commend the minister on his very compassionate views on veterans and others.

Some hon. Members: Hear, hear!

Mr. Taylor: There is one other point I would like to add. The minister is also very interested in veterans' children and other people's children who do not have money enough for a holiday. I would like to thank the minister personally for the part he has played in helping some 150 boys last year, and again this year, to have a holiday. We appreciate that very much.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[*Translation*]

OFFICIAL RESIDENCES ACT

MEASURE TO AMEND

Hon. J. Gilles Lamontagne (for the Minister of Public Works) moved that Bill C-81, to amend the Official Residences Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is with great pleasure that I sponsor today Bill C-81, to amend the Official Residences Act. Since the act was implemented in its amended form in 1970, the Department of Public Works has been responsible for providing the services required for the official residences, and the National Capital Commission has been in charge of the maintenance and improvement of the grounds on which these residences are located. As parliamentary secretary, and speaking on behalf of the Minister of Public Works (Mr. Cosgrove), who is also responsible for the National Capital Commission, I believe that Bill C-81 contributes to reinforce the truly democratic parliamentary process which has long attested the strength of Canada.

Throughout the years, parliamentary proceedings have dragged on because of the increasingly complex issues brought before Parliament. In the past, sessions were shorter and recesses longer. However, our country's business now requires a total commitment on the part of parliamentarians.

The present government believes, and I am sure that all members here will agree, that the task of governing the country is a source of ever-increasing pressures and requires a greater involvement in terms of time and energy from all of us. The government also believes that one of those who has the most difficult task to perform is the Leader of the Official Opposition. In order to ease the problems associated with his office, the government has introduced this bill.

This bill, to amend the Official Residences Act, deals with many issues which I would like to address. First of all, it provides for the establishment of a summer residence for the Leader of the Official Opposition. Other amendments deal with the provision of the residence, on land allocated by the National Capital Commission, and of furnishings as well as with the maintenance and repair of such residence; second, the bill provides for the appointment of a steward or housekeeper and up to three other employees for Stornoway, the residence of the Leader of the Official Opposition.

Section 6 of the existing act would be amended to provide for the appropriation of moneys by Parliament for the pay-

ment of the remuneration of persons so employed and the payment of other expenses related to their employment. This measure was discussed in detail and unanimously approved by the Standing Committee on Miscellaneous Estimates. I am confident, Mr. Speaker, that members on both side of the House will be happy with this move and will give their unanimous support to this bill.

[*English*]

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, as the parliamentary secretary has pointed out, this bill deals with the allocation and refurbishment of a summer residence for the Leader of the Opposition together with a provision for staffing Stornoway, which is in the City of Ottawa, the Village of Rockcliffe.

By way of background, it is useful to note that at the request of the Privy Council Office the National Capital Commission has conducted a survey of properties within its inventory which could be considered appropriate for such purposes. The National Capital Commission has been looking at this project for some time and the present government has now seen fit to take the sponsorship of this project with respect to the Leader of the Opposition at this particular point in time.

• (1620)

I guess I should point out that it will be up to the government to make an assessment, and that will be another matter again, with respect to the kind of facility and the location which will be decided upon. It is exclusively within the prerogative of the government to make that kind of assessment, and it will be a matter which I suppose members of Parliament will have an opportunity to examine in the course of committee considerations. However, I assume that prior to making any decision the government will consult the Leader of the Opposition (Mr. Clark).

The parliamentary secretary mentioned that Clause 3 of the bill provides for the appointment of a steward or housekeeper and up to three other employees to be employed at Stornoway. I think it will be also helpful to note that prior to the 1979 election no staff was provided for the Leader of the Opposition at Stornoway. When the present Prime Minister (Mr. Trudeau) was Leader of the Opposition, he made a request through an emissary to the present Leader of the Opposition, who was then the Prime Minister. The request was granted and the staff provided to him. This bill, therefore, regularizes that arrangement on behalf of the present Prime Minister when he occupied the position of Leader of the Opposition.

I will not succumb to the temptation to suggest that the government is bringing forward this legislation in order to ensure that the leader of the Liberal party, after the next election, will have a suitable residence somewhere in the Gatineau Hills! I will not succumb to that particular temptation.

An hon. Member: Wishful thinking!

Mr. Hnatyshyn: I will only say that we, of course, have no objection to this bill proceeding, and we will consent to the matter going through all stages, including Committee of the Whole stage and third reading today, so that the matter can be referred to the Senate.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

DIPLOMATIC AND CONSULAR PRIVILEGES AND IMMUNITIES ACT

MEASURE TO AMEND

Hon. J. Gilles Lamontagne (for the Secretary of State for External Affairs) moved that Bill C-14, to amend the Diplomatic and Consular Privileges and Immunities Act, be read the second time and by unanimous consent, referred to Committee of the Whole.

Mr. Louis Duclos (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, the bill which is before the House this afternoon deals with the establishment and operation of proposed embassies or consulates in Canada by persons not representing a sovereign state or not representing a government recognized by Canada.

The new legislation would make it an offence to engage in such conduct, enabling the courts to prohibit the representation of such premises as a diplomatic mission or a consular post. Actually, this bill seeks to resolve a sensitive problem which may occur at any given time and create for Canada some embarrassment on the international scene. Furthermore, such a situation would most likely create tension in Canada's bilateral relations with the country concerned.

I should point out that the Vienna conventions on diplomatic and consular relations annexed to the Diplomatic and Consular Privileges and Immunities Act are declaratory of customary international law and have the force of law in Canada. It is clear in the Vienna Convention on Diplomatic Regulations, Article 2:

> the establishment of diplomatic relations between states and of permanent diplomatic missions takes place by mutual consent.

Article 4(1) of the Vienna Convention on Consular Relations provides that

> "a consular post may be established in the territory of the receiving state only with that state's consent."

It would certainly be consistent with the spirit of Canada's obligations under the Vienna conventions to take the necessary measures to prevent the opening of such so-called embassies or consulates when they are opened without Canada's consent, and when they purport to represent a country or a government not recognized by Canada.

Let me point out, in conclusion, that the legislation is not directed against any particular group by name. It therefore should not affect the present representation of Baltic States in Canada.

Diplomatic Immunities

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, Bill C-14, an act to amend the Diplomatic and Consular Privileges and Immunities Act, has the support of members of my party. We would like to see speedy passage accorded to it through all stages of legislation. The bill has emerged several times on the legislative docket in previous Parliaments, and, indeed, was introduced into the other place by the Clark government as Bill S-11 and given first reading on November 29, 1979.

The major thrust of the bill is to make it an offence to establish or to continue the operation of an embassy or consulate in Canada by persons not representing a sovereign state or a government recognized by Canada. From time to time, as we are aware, political groups and movements emerge which claim the right to full diplomatic recognition by other states and all the perquisites and prerogatives which accompany such an action.

It is proper that Canada state in legislative terms that no person or group of persons who do not represent a sovereign state shall have those privileges, so that any questions of doubt which linger in the minds of persons or organizations that do not enjoy legislative sovereign authority shall be laid to rest once and for all as far as this country is concerned.

As the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Duclos) has said, the Vienna Conventions on Diplomatic and Consular Relations set out the premises on which missions can be established, and Bill C-14 reiterates those understandings.

● (1630)

We would not want to see diplomatic or consular rights accorded to representatives of other than a sovereign state in this country, and in the same manner we would not tolerate that such recognition be given by other countries to groups or movements which might originate in Canada.

The bill makes it an offence to represent one's country illegally, an offence which is punishable on summary conviction. This bill then, denies diplomatic recognition to those who do not merit such status because they are not representatives of a sovereign state or government. We agree with the premise set out in Bill C-14.

We have been talking about groups to which diplomatic privileges should not be extended. I should like to take this opportunity, because so few opportunities are afforded us, to say a few words in appreciation of the tremendous work done by the person to whom diplomatic and consular status is given.

Canadians serve their country abroad in 117 countries, in positions ranging from high commissioner, ambassador to clerk. They put in long hours, often under difficult and trying circumstances, and in increasingly dangerous and uncertain conditions. They do so exceedingly well. The men and women sent from Canada to whom diplomatic and consular privileges and immunities are extended, generally play an unsung role, though from time to time they receive the well merited thanks of thousands of Canadians who journey to other countries.

Because the good deeds of our diplomatic and consular personnel largely go unnoticed by the majority of Canadians, it was indeed a good thing that an event such as the Canadian caper came along, that is the successful escape of six Americans from Tehran, which was engineered by the Canadian Embassy—

Some hon. Members: Hear, hear!

Miss MacDonald: —so that we can be reminded by an event such as that of the excellent work done by our overseas staff.

In the Iranian Embassy episode, not only the work of Ambassador Ken Taylor can be highlighted, but also that of all those who served in Iran during those days. I would just like to mention their names so that they will go on the record of Parliament. They are: Ken and Pat Taylor, John and Zena Sheardown, Roger Lucy, Mary O'Flaherty, Laverna Dollimore, Sergeant Claude Gauthier, Sergeant J. G. Edward, Master Corporal George E. Brian, Corporal J. A. Goss and Corporal Allan B. Haley.

Some hon. Members: Hear, hear!

Miss MacDonald: Naturally, not all the work undertaken by Canadian government personnel overseas can be quite as dramatic, but it does merit our thanks and commendation, and I take this opportunity to do so.

I notice that a technical error has been corrected in Clause I of the bill. That clause states that if it appears the privileges and immunities accorded to the Canadian diplomatic mission in any country are less than those conferred by this act on the country's diplomatic mission or consular post here, the government may withdraw the privileges and immunities so conferred. In other words, through Clause 1, we are exchanging reciprocal privileges.

But that raises the very real question as to whether reciprocal privileges are, in reality, being accorded to all Canadian missions abroad at the present time, in the same way that privileges and immunities are extended to foreign missions here.

For instance, are there no restrictions on travel within the Soviet Union and perhaps in other Eastern bloc countries imposed on Canadian personnel in a manner that is not imposed on those countries' representatives here? Do all countries where we have missions extend the same opportunities for spouses to be gainfully employed as are accorded in this country? Are there reciprocal arrangements regarding tax exemptions, convertibility of funds, and the right to purchase or dispose of certain personal effects? I not only doubt it, but know that in some cases the same privileges and immunities are not extended to Canadians serving abroad as the host country receives here in Canada, and I would like to hear from the parliamentary secretary during his concluding remarks how strictly the government is going to adhere to the letter of the law.

It is important, both for the morale and convenience of our personnel serving abroad, from whatever department they

originate, that they receive the benefit of all the privileges and immunities to which they are entitled.

Having stated that, Mr. Speaker, I would indicate that we are in general agreement with the purposes of Bill C-14.

Some hon. Members: Hear, hear!

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, in the absence of our House leader who is at the House leaders' meeting I wish to state that we endorse speedy passage of Bill C-14. This was agreed today at a House leaders' meeting and I have been asked to relay this message.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO SEXUAL OFFENCES AND THE PROTECTION OF YOUNG PERSONS

The House resumed from Tuesday, July 7, consideration of the motion of Mr. Chrétien that Bill C-53, an act to amend the Criminal Code in relation to sexual offences and the protection of young persons and to amend certain other acts in relation thereto or in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Blaker): The Chair has no understanding that there may be any disposition—

Mr. Collenette: Mr. Speaker, due to the co-operation received from the other side of the House this afternoon, we have gone through the legislation rather quickly. The hon. member for Burnaby (Mr. Robinson) was to reply on behalf of his party on Bill C-53. I sent an urgent notice to the Standing Committee on Justice and Legal Affairs to have him come to the House. I understand that he will be here shortly, and I hope we could have agreement that if there are other speakers for the Official Opposition, they could speak now and then and extend to the hon. member for Burnaby the normal courtesy when he appears.

The Acting Speaker (Mr. Blaker): The hon. member for Saskatoon West (Mr. Hnatyshyn) had the floor the last time the bill was being debated.

Mr. Hnatyshyn: I had the floor. The parliamentary secretary was probably not aware of the fact that I was just clearing my throat last night and was getting warmed up for a further dissertation. He is quite right, however. I made an arrangement with the hon. member for Burnaby (Mr. Robinson) that the next person to be called, because he is tied up in committee, would be a member from our side. I think the hon. member for Waterloo (Mr. McLean) is on his way over to ensure that there will be a continuation of this debate following my remarks.

• (1640)

Mr. Collenette: Mr. Speaker, so as not to deprive any hon. members of the right to participate, perhaps we can agree that the hon. member for Saskatoon West (Mr. Hnatyshyn) can continue until the hon. member for Waterloo (Mr. McLean) arrives so that we do not find ourselves in the embarrassing situation of having members wanting to speak on the bill not having the right to do so because the time of the hon. member for Saskatoon West has expired.

The Acting Speaker (Mr. Blaker): The Chair needs further explanation. It seems to me that the parliamentary secretary is proposing that an hon. member be ordered to continue speaking regardless of his wish.

Mr. Hnatyshyn: Mr. Speaker, I am sure that by the time we get over these points of order, the hon. member for Burnaby (Mr. Robinson) will have had an opportunity to fly to Burnaby and return. As to the suggestion of the parliamentary secretary, it reminds me of an observation that Sir Winston Churchill once made. He suggested that if someone wanted him to speak for ten minutes, he should be given two weeks' notice, and that if someone wanted him to speak for half an hour, he should be given two days' notice, but if someone wanted him to speak for three or four hours, all that was needed was for that person to stand up on the floor of the House of Commons and suggest he carry on, thus giving him one minute's notice. I believe that is what the parliamentary secretary is suggesting.

However, I think the parliamentary secretary can assess the situation at the appropriate time. If I happen to complete my remarks and it so happens that the hon. member for Burnaby is not here, the parliamentary secretary can think about what he will do then. I do not know whether we can commit ourselves at this time.

The Acting Speaker (Mr. Blaker): The hon. member for Saskatoon West (Mr. Hnatyshyn).

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I am rather surprised to be speaking again this afternoon. I thought we had a lot of business, and the House has indicated, by passing a number of bills that Parliament does live and that occasionally we do get through many pieces of legislation.

Last night I made a certain observation, and I am sorry that I have to make it again this afternoon in a different context. The fact that the hon. member for Burnaby (Mr. Robinson) has finally shown up does not mean I will terminate my remarks now, after all those points of order. I intend to conclude my remarks. This bill is an important piece of legislation, as I said last night. I say it again today and I have said it before. I have said it on a number of occasions, as have other members of our party and other members of Parliament and as has been indicated by many members of the government party. I know that ministers from time to time have obligations and appointments to keep and occasionally they find it impossible to be in the House. This afternoon we have seen examples of parliamentary secretaries coming to the

House on what I would term not major bills, but bills that have received general consent in the House, technical bills on matters of lesser importance in terms of issues, but rarely do we see a situation when a major social or economic bill comes forward and the Minister of Justice (Mr. Chrétien) refuses or neglects to be in the House of Commons during the course of the debate. The Parliamentary Secretary to the Minister of Justice (Mr. Irwin) is not even here to represent the minister. I thought it was bad enough last night that the parliamentary secretary led off this debate because there are important issues involved and there are important questions which arise by virtue of this legislation. The minister should be present to get the sense of the representations being made by members of Parliament who are dealing with this matter. I think it is incumbent on the minister himself to be present during the course of this debate.

I see the Parliamentary Secretary to the Minister of Justice is now entering the House and I will retract my observations of him. But the minister was here today. His parliamentary secretary cannot say that the minister is not in Ottawa. The minister was present during question period. Maybe he is a little cowed or feeling somewhat hesitant about coming back to the House after the way he performed during question period. But the minister should be here for this legislation. I take particular exception to the fact that the minister is ignoring this legislation, and I reiterate that when we are talking about an important bill he should make up his mind whether or not he is interested in this portfolio. If he is not interested, then he should tender his resignation to the Prime Minister (Mr. Trudeau) so that we can have someone on the treasury benches who is interested in the legislation.

Last night when I was interrupted by the bell, I was addressing some of the provisions of the bill before us relating to the amendments to the Criminal Code, particularly Sections 246.1 and 246.2. I was pointing out some of the concerns I had with respect to the operation of those new provisions. I generally support the thrust that is being taken, but I think we have to be careful, in our consideration of this legislation, to make sure that the best possible legislation is produced by the House of Commons and that it is legislation which will have the proper effect in carrying out the intentions of Parliament. I was talking about my concern with respect to some of the definitions and the precision of the definitions within the bill itself.

At the conclusion of yesterday's proceedings I pointed out that the term "sexual assault" is not defined in this legislation. The bill simply says that everyone who commits a sexual assault is guilty of an indictable offence.

There are real questions as to just what sexual assault is. The elements of the offence are not laid out within the legislation. For example, if a person, in an effort to strike another in the stomach, misdirects that blow and it lands in the groin area, how is that defined? Is it sexual assault under the definition of the bill? I point out that the Law Reform Commission's recommendations contain a clearer statement of the requisite mental attitude in committing the crime of sexual assault. I think that is important. After all, in the context of criminal law we are dealing with the intention of the accused in each instance. That is the general principle we have in criminal law under our system. The commission suggested that the code should read:

> Everyone who, for a sexual purpose, directly or indirectly touches a person—

It goes on to say then that that person commits an offence. I suggest to you, Mr. Speaker, that when we have an opportunity to look at this matter in committee, if that is possible during this session of Parliament, we will have to look carefully at the wording of Section 246.1 when studying this bill.

There is also considerable room for questioning the merits of the way in which the term "aggravated sexual assault" is defined in Section 246.2. This most serious offence comes into play only when a weapon is used during the assault or when serious bodily harm is caused. This formulation ignores entirely the issue of psychological harm as far as the complainant is concerned and it also ignores the conduct of the assailant, short of that which causes serious bodily harm. Let me deal with those two questions.

I think we should consider the inclusion of the notion of psychological harm under Section 246.2. Women are often advised not to resist a sexual attack so as not to suffer physical injury. That is not to say, however, that they may not be injured in a very real sense. An assailant who uses verbal threats or abuse can severely traumatize a victim and cause profound and lasting emotional damage. Statistics indicate that in 70 per cent of the cases that is the situation. It seems strange that an attacker who carries a knife but causes no physical injury would be liable to prosecution under Section 246.2, but an attacker who completely terrorizes a victim with verbal abuse and threats, and perhaps even forces a woman, through these threats, to commit particularly perverse or degrading acts would be liable only to punishment under Section 246.1.

● (1650)

These problems have to be looked at to make sure that we are not getting ourselves into the preposterous situation where the law is attempting to do one thing but has the consequence of reducing the kind of charge that may be placed against a person in a very serious set of circumstances. The specification of serious bodily harm in Section 246.2 must also be examined. This is a new and novel concept. The code presently uses the phrase "bodily harm" in Section 245. It does not contain any reference to serious bodily harm. This is a new term which takes us into uncharted waters. This is something which should be considered by the committee.

This bill changes the sentence for punishing persons who commit equivalent offences under the existing code. In some instances the penalties are higher under this bill and in some they are lower. For example, rape is now punishable by life imprisonment. Under the new system, sexual assault would carry a ten-year penalty. These are serious matters. I am sure that the members of the Standing Committee on Justice and Legal Affairs will want to consider the extent and nature of

the penalties and sanctions placed in the code in respect of these offences.

I understand the rationale behind the remarks of the parliamentary secretary and indeed behind the material sent out by the Department of Justice. These are serious offences. We must look closely at them and be able to satisfy ourselves that the appropriate penalty is being placed with respect to each of the offences that are created under this bill and in the subsequent amendments to the act.

Another area of the bill I want to consider today deals with the way in which complainants are dealt with during trial proceedings. As I remarked yesterday, rape trials in particular often take on the appearance of being an inquisition into the private and personal life of the victim rather than an assessment of the case against the accused. This situation is most regrettable and no doubt it accounts in large measure for the fact that only one out of eight rape cases are reported.

Victims simply do not want to subject themselves to the trial process. That is understandable. It is a very traumatic experience for many women. They have to go through the process of a lengthy trial. They are placed on the stand. They find this a very trying time, as well as the preliminary investigation where questions are asked by the police and others in positions of authority.

On the other hand, we must not lose sight of the rights of the accused. Sometimes it is very easy to miss the balance that is required in these matters. In attempting to solve one set of problems, other problems are created with regard to the basic and fundamental rights that an accused has traditionally had in this country. A delicate balance must be struck between the right of the accused to have a full and fair defence and the necessity of complainants not to be subjected to degrading or unreasonable treatment.

This bill contains a number of features aimed, to a greater or lesser degree, at the question of protecting the complainant and eliminating unrealistic roadblocks in the path of the prosecution. The bill specifies that corroboration is not required to obtain a conviction for a sexual offence. This provision is found in proposed Section 246.2. There is a further stipulation that no corroboration warning is required. However, subsection (2) makes it clear that a judge can still comment on the credibility of the witness. There are some troublesome problems associated with this proposal. First, it is badly drafted. Some simple but important changes are required to make the section clearer. More important, it is uncertain how this section will affect Section 586 of the code as it now reads. Section 586 states:

> No person shall be convicted of an offence upon the unsworn evidence of a child unless the evidence . . . is corroborated in a material particular by evidence that implicates the accused.

This section particularizes in the criminal law context the general provision contained in Section 16(2) of the Canada Evidence Act.

The problem is this. Section 586 and the proposed Section 246.3 are not compatible. Since victims of sexual attacks are often children and since attacks often take place in situations where there is no corroborative evidence, the corroboration requirements in Section 586 is an onerous one. Since Section 586 is more particular than the general provision advanced in this bill, it may well be interpreted as overriding the amendment proposed in Bill C-53. This issue will have to be taken up and an explanation given. Possibly there should be an amendment by the officials of the department and, hopefully, by the minister, if he sees fit to attend the committee meetings.

The second feature of Bill C-53 that relates to improving the lot of the complainant and streamlining the law to some extent is contained in what would become the new Section 246.4. This section in the words of the minister's information paper "abolishes" the doctrine of recent complaint. The section itself uses the word "abrogate". We must look closely at subsection (3) of Section 246.4. It provides that in certain proceedings where consent is an issue and where by virtue of subsection (2) evidence of a complaint could still be heard, a judge "is not required" to give the jury any direction respecting the lack of a complaint. There is a real possibility that this subsection will resurrect the present state of affairs whereby the fact that no complaint was made immediately after the incident can lead to an inference of consent.

The third matter I want to deal with in this part of my remarks concerns questions posed at trial about the previous sexual conduct of the complainant. Under the common law a denial of sexual contact with others by the complainant precluded any further inquiry into what was considered a collateral issue. It was also open to an accused to ask questions as to the complainant's general reputation for chastity as a matter going to credibility and consent. The accused was entitled to bring evidence to contradict an accusation of lack of chastity.

In 1976 the government attempted to put limits on questions about the complainant's sexual relations with persons other than the accused. Section 142 of the code was introduced to achieve this end. It provided for notices of questions and an in camera assessment by a judge as to whether the questions should be asked in open court. However, the Supreme Court of Canada's decision in *Forsythe v. The Queen* (June 27, 1980) had the effect of making Section 142 much less effective than had been hoped. Under the terms of the Supreme Court's ruling, an accused can now force a complainant to answer questions in open court and can adduce evidence to contradict her answers.

This bill contains a section which is aimed at narrowing the scope of questions about a complainant's conduct with persons other than the accused. Section 246.5 would require written notice of questions and would require that a judge assess their merit at an in camera hearing at which the complainant would not be a compellable witness. Questions could only be asked in certain specified situations.

I think that these are welcome changes. They do, however, raise an issue which will need to be canvassed. It has been suggested that a complainant's sexual activities with persons other than the accused should be facts that are simply not admissible. The argument is that a person's activities with third parties are quite irrelevant to the question of consent with the accused. I am sure that this is a matter that will be

convassed not only on the floor of the House, but also in the course of the committee hearings.

Another issue that has sparked a good deal of public debate in recent times concerns the defence of mistake of fact. In May, 1980, the Supreme Court of Canada ruled that the defence of mistake of fact was available to persons charged with rape. That is the *Pappajohn* case. The Pappajohn case held that an honest belief was sufficient and there was no additional requirement that it be reasonable. The decision prompted many people, women's groups in particular, to declare that Canada's rape laws had been eviscerated.

On the other side of the question, people argued that triers of fact are not so gullible as to believe pure fabrication and that the basic principles of criminal law as delineated in cases like *Regina v. Beaver* required that an honest belief must be sufficient.

● (1700)

This bill does not change the law and demand that a mistake of fact be reasonable. Rather, in Section 244(5), it provides that, where the defence is raised, the trial judge shall direct the jury when it determines the honesty of the belief to consider, *inter alia*, the presence or absence of reasonable grounds for that belief.

It is clear, Mr. Speaker, that we will have to submerge ourselves in the problems and controversies generated by the *Pappajohn* decision. I would suggest, however, that there are more than just two sides that can be taken. I think we may want to give some consideration to a third option which would involve a reverse-onus clause. Such a position would involve leaving the defence of an honest but unreasonable mistake open, but would force accused persons who want to avail themselves of such a defence to establish the existence of the mistake on a balance of probabilities. This is a middle-of-the-road position. Although it does not give accused persons the benefit of the doctrine whereby criminal offences must be proven beyond a reasonable doubt, it does leave the "mistake of fact" defence open, and at the same time it should answer most of the concerns of those who see the *Pappajohn* decision as a threat. The committee will hopefully consider this option when it grapples with the issue of mistake of fact, which was raised by members of the Senate in respect of this legislation.

As I said at the outset, Mr. Speaker, this bill deals with more than just sexual offences. I want to look now at those parts of the bill which deal with the abduction of children. We are all aware, I think, of the tremendous problems and heartbreak of many parents when a spouse abducts a child during the course of, or after, a custody dispute. Such actions are generally considered by the police to be matters for resolution in the civil courts. As a result, many people are simply left helpless. They lack either the resources or the legal recourse to recover their children by way of civil process.

The code does presently have a provision that covers abduction or harbouring of a child under 14. However, Section 250 is defective because it does not apply to persons "claiming in good faith" a right to possession of the child.

Bill C-53 proposes to deal with the problem of parents abducting children by introducing new Sections 250.1 and 250.2 to the Criminal Code. These provisions make the force of the criminal law available to persons faced with parental kidnapping. I welcome this attempt to combat a problem of growing seriousness in this country.

I should mention that one of my colleagues has taken a leading role in respect of encouraging this House to pass legislation, through many private member's bills, on this particular topic, and I refer to the hon. member for Surry-White Rock-North Delta (Mr. Friesen). Since the time he has been elected as a member of Parliament in 1974, he has continuously pressed the House of Commons through private member's bills to pass legislation which would afford some protection to parents in the case of parental kidnapping. I compliment the member because I am certain that it is because of the persistence he has demonstrated with regard to this particular change that the government has now seen fit to bring forward legislation in the course of these amendments which in effect try to deal with the problem.

I am not going to read Sections 250.1 and 250.2 into the record. However, I do want to point out one matter which should be looked into at the committee. I think we will want to re-word Section 250.1(1). It does not apply in cases where the parent with lawful possession of a child consents to the taking of the child from him or her. In many situations of kidnapping the parent in lawful possession does agree to the taking of the child by the other parent. Visits and outings are common. It is only when the other parent retains custody of the child that the problem arises.

My point is that the word "taking" as it is used in Section 250.1 is arguably not broad enough to cover the situation where a parent obtains permission to have the child for a period of time and then never returns that child.

I now want to speak about the provisions in the bill with regard to child pornography. So-called "kiddie porn" is a major concern in Canada. It is a problem that has been spreading and growing. The Criminal Code has no provisions aimed expressly at preventing the exploitation of children for pornographic purposes.

I am pleased to see that this bill makes an effort to hit directly at the problem. Happily, Mr. Speaker, the bill takes the right basic approach. It focuses on the aspect of exploitation and properly treats the children involved as victims.

This bill, C-53, proposes that a section 168.2 be added to the code. The section would make it an offence to induce, coerce or use a person under 16 years of age for the purpose of producing visual material containing what is referred to as "sexually explicit conduct". The bill would also create offences relating to the sale and distribution of material containing depictions of such conduct.

There is just one point I want to make about these proposals. As I indicated, these changes in the law are welcome indeed. There are, however, some problems I wish to point out. The section only relates to conduct of a sexual nature. I think

we must deal with the question of violence in this regard. A child can be portrayed as a participant in scenes of violence that are as obscene as those of a sexual nature. Sometimes I think we tend to become preoccupied with sexual matters in our society and concerned about that, and not in terms of criminal legislation having regard to the kind of programs now available generally through television and other forms of publication, theatre and movies. It often occurs to me, as I am sure it occurs to many other members, that the most repugnant kind of obscenity that can be observed in terms of television, theatre, movies and so on, is not necessarily that with a sexual connotation, strangely enough, but in terms of violence now being portrayed in our country in this way, and easily available and accessible to our children. This is something to which we may want to turn our attention to see whether there is something which can be done in this area in terms of amendments to the Criminal Code. We might address ourselves to what I consider to be an equally disturbing aspect affecting our society today.

The bill before us is, indeed, a very important one. I want to sit down soon in order that my colleague, the hon. member for Waterloo, can carry on in accordance with an agreement made in the House earlier and address his remarks to the House.

I simply want to reiterate the fact that the bill has been the product of good intentions. The fact is, as I have tried to point out on a number of instances, and occasionally in some detail, there are some very serious problems in terms of the draftsmanship and in terms of accomplishing the best legislation which has to be looked at by the committee. There are some very serious questions about some of the provisions of the bill which cause concern to members on both sides of the House. The parliamentary secretary pointed out yesterday that he has some concerns at this stage, and that the government has had some concerns that will cause the government to propose some amendments to this legislation.

● (1710)

I am very much concerned that what is happening here is somewhat of a charade. The government has introduced this bill in the dying moments of this part of the session, late at night, an afterthought after a number of less important bills have been dealt with and disposed of or debated, as the case may be. Under all the circumstances, I really wonder whether this will get the attention it should get in terms of the public media. It is important that there be public input into the provisions of this bill and a public understanding as to what is being attempted. I personally have tried to communicate with a wide range of interest groups across the country in my role as justice critic for the Official Opposition. I have tried to hear from them as to what their attitudes are with respect to this legislation. Many of the points I have made in my presentation today are the result of direct representations and observations made by people involved in this area either through counselling, involvement in child welfare or involvement in the administration of justice generally. In this latter respect I refer to lawyers and bar associations. I want to extend to them publicly my appreciation. I have received excellent co-operation from many people across the country who have taken the time either to come and see me and my colleagues in my party or to write to me about this legislation.

I think we will be faced again with the prospect of having this bill debated on the floor of the House of Commons, referred to a committee and stacked up with other legislation which is now before the committee or awaiting conclusion of consideration by the committee. The point is that the bill will not in the course of this session of Parliament receive the full attention of the committee. We will be faced again with a new Speech from the Throne and a new Parliament and with starting again the process of trying to get this bill brought forward so that we can have the legislation dealt with, improved and passed. I simply say to those who may be following this debate by watching it or reading *Hansard* that my concern is that we may have just started on the first leg of a journey. I am under no illusions that there will be a conclusion of the consideration of this bill. I am very disappointed in the way it has been handled and in the lack of priority. I am disappointed that the minister did not even think it important enough to appear in the House at any time that this matter has been discussed or to participate directly and listen to some of the suggestions made. I and other colleagues will be speaking further about the bill. It is a terribly important bill to which we want to give careful consideration.

I simply say to the government that I am disappointed very much in the way in which this has been handled and in the ad hoc arrangements the government has made with respect to the introduction of the bill. I simply tell the minister that if he does not appear before this debate is over in the course of the committee deliberations—if we are able to have those—he does not know what trouble is, uranium cartel or no uranium cartel.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that messages have been received from the Senate informing this House that the Senate has passed the following bills without amendment:

Bill C-50, an act to amend the Customs Tariff and to repeal the Irish Free State Trade Agreement Act, 1932, the Union of South Africa Trade Agreement Act, 1932, and the United Kingdom Trade Agreement Act, 1937.

Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas.

Bill C-70, an act to amend the Animal Disease and Protection Act.

Bill C-71, an act to amend the International Development Association Act.

Bill C-72, an act to amend the National Housing Act.

Bill C-73, an act to amend the Atlantic Region Freight Assistance Act.

Bill C-74, an act to authorize financial assistance to be provided to certain international financial institutions.

Criminal Code

CRIMINAL CODE

AMENDMENTS WITH RESPECT TO SEXUAL OFFENCES AND THE PROTECTION OF YOUNG PERSONS

The House resumed consideration of the motion of Mr. Chrétien that Bill C-53, to amend the Criminal Code in relation to sexual offences and the protection of young persons and to amend certain other acts in relation thereto or in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to speak about Bill C-53, which is certainly one of the most important bills to come before this House. It is a bill for which the women of Canada have been waiting far too long.

Before getting into the substance of my remarks I would like to associate myself with the concern expressed by the hon. member for Saskatoon West (Mr. Hnatyshyn) about the absence from this House of the Minister of Justice (Mr. Chrétien) during consideration of this important bill. There is no question that that is regrettable and is an indication, unfortunately, that the minister does not take seriously the fact that this is a bill of considerable substance to the women of Canada. It is such not just to the women of Canada but to all Canadians.

I would also say as a preliminary matter, speaking as the justice critic of the New Democratic Party, that we believe this bill should be dealt with quickly in the House and referred to the committee where it can receive the very careful study and consideration it needs. While we support the principles underlying Bill C-53, there is no question that there will have to be improvements made in the committee. Having said that, I should note that we have agreed that we should be prepared to see this bill go to committee after one speaker from our party—namely me—has spoken, and in view of the fact that the hon. member for Saskatoon West has recognized the importance of the bill, I certainly hope he will permit this bill to go to committee where it might be considered at an early date.

I note that the Standing Committee on Justice and Legal Affairs is presently involved in consideration of freedom of information legislation and also, as I understand it, it will be dealing with legislation respecting young offenders, but I hope we will see this bill go to the committee at an early date and that following the needed amendments to the bill we will see it passed into law.

As I said, Canadian women have been waiting for some time for changes to archaic laws with respect to sexual offences. Hon. members will know that there have been two bills in the past three or four years, Bill C-52 and Bill C-51, and in addition, in the fall of 1978 there was a very comprehensive report on the subject of sexual offences issued by the Law Reform Commission. That report made a number of important recommendations, some of which are reflected in the content of Bill C-53. Others, unfortunately, are not. I will note just a couple of matters which, unfortunately, are not dealt with in the bill. There is no reference whatsoever in this bill to the important issue of sexual harassment. This has become increasingly prevalent in Canada in recent months and years. The Canadian Human Rights Commission in its most recent annual report urged the goverment to take action quickly to deal with concerns about sexual harassment and particularly sexual harassment on the job. Unfortunately, the federal government has remained silent and has not responded to these concerns about sexual harassment in the workplace. There has been some indication that perhaps there may be changes to the Canada Labour Code, but there is no question that until legislative steps are taken, Canadian women will be subjected to sexual harassment. There must be an end to this practice very quickly.

I also note that there is no reference in this bill to Section 179(1) or Section 193 of the Criminal Code. These are sections of the code dealing with laws respecting what are known as common bawdy houses. I urge that in the context of our consideration of this bill, a bill which should deal comprehensively with sexual offences and matters relating to sexual offences, we review these provisions of the Criminal Code. Unfortunately there appears to have been a sweeping abuse of this law recently in the city of Toronto, in the city of Edmonton and elsewhere. When we review these provisions of the Criminal Code with respect to common bawdy houses, we should examine very carefully the definition of a common bawdy house and particularly whether the concept of an act of indecency—whatever that may be; it may very well be an act which is entirely legal in private—should continue to be included in the definition of a common bawdy house.

Finally, a matter which has been touched on only peripherally in the context of Bill C-53 is the matter of prostitution. This bill purports to attempt to equalize provisions of the Criminal Code and bring sexual equality to bear in the Criminal Code with respect to sexual offences. However, there is still a glaring inequity in the area of prostitution. While on the one hand a woman who is deemed to be pressing and persistent in attempting to seek a sexual liaison can be charged, a man, the prospective John as he is called, is immune from prosecution. So a man who harasses persistently and pressingly a woman going about her business, asks her if she wants to have a good time or solicits her for the purposes of sexual relations, is not covered by the provisions of the Criminal Code relating to prostitution. Surely that kind of double standard must be addressed in a bill purporting to bring equality to this area of the law.

● (1720)

I note there is a single reference to prostitution in the legislation which would clarify that the prostitute can be either a man or a woman. That is as it should be if there is to be equality in the law. At the same time we must recognize that the behaviour of a man who pressingly and persistently bothers a woman for the purposes of prostitution should be covered.

As I said, Mr. Speaker, the bill attempts to overhaul a number of areas of the Criminal Code, not just with respect to sexual offences. The first major provision of the bill is with respect to the sexual exploitation of young people and child

pornography. There are changes with respect to the gross indecency provision and others of a similar nature. There are changes relating to child abduction by a parent, indeed by another person. Of course we all know the great anguish that can be caused in circumstances such as this. There are changes with respect to evidentiary provisions in trials of sexual offences. Finally, and most important, there are changes with respect to rape laws, namely, a redefinition of the offences of rape and indecent assault. I say without hesitation that we welcome the changes to redefine rape as a crime of violence and aggression, not one of lust or passion. It is a violent crime, and to the extent this law recognizes that, the changes are welcome.

I also note a very significant change from earlier bills submitted by the Liberal government, a change in response to representations from many groups and individuals across Canada. That is the removal of the so-called spousal immunity, the doctrine that says a wife cannot be raped. In this day and age we must recognize that marriage should not mean forced sexual submission and to the extent that this bill removes spousal immunity from the law, we welcome the principle.

This bill, Mr. Speaker, also deals with certain archaic and, in many ways, sexist provisions of our rape laws. It gets rid of the outdated notion that rape can only take place if the penis penetrates the vagina and that a man can only rape a woman. It recognizes that as a sexist provision and that there can be a variety of forms of sexual assault.

Now I would like to return to some of the areas I dealt with in passing earlier. Naturally I will be elaborating in detail on some of the important aspects of the bill which require amendment if it is to reflect truly the views and concerns of all Canadians, not just of women. All members of the House will welcome the general thrust of the provisions concerning the sexual exploitation of young people. We recognize it is necessary to eliminate the sexist nature of the present law. There are many archaic notions in the Criminal Code with respect to sexual offences against young people, such concepts as the notion of a previously chaste character and others which discriminate on the basis of sex. However, there are still a number of problems with respect to the government's proposals in this area. The key concept is that of sexual misconduct. What is meant by that? Nowhere in the bill do we find any definition of sexual misconduct, whatever that may be. The Law Reform Commission suggested, for example, that the that concept of sexual contact should be invoked. By that they meant we would be referring to any touching of the sexual organs of another, or the touching of another with one's sexual organs that is not accidental. At least there we have some specific definition.

Of course, there may be problems with that as well. One can question, for example, whether we might wish to prohibit certain other conduct that does not involve specific contact of sexual organs, such as what has been known as french kissing, and other forms of sexual contact. In any event, there is no definition of this central concept of sexual misconduct. We will be seeking further clarification of it in committee. Similarly, Mr. Speaker, clause 167(2)(d), the reference to young people between the ages of 14 and 16 being, and I use the words of the clause, states:

—less responsible than the complainant for the sexual misconduct that took place.

What does this concept mean? This is a new concept in our law and one which may unfortunately involve in many cases, in effect, the placing of the young person on trial, questioning whether or not a 14 or 15-year old was more responsible for the sexual contact, whatever it may have been, than the older person.

There must be clarity in the law. This would appear to bring into force the old concept of "more to blame" an archaic concept which should be repealed in this day and age. No one questions that there must be tough and effective protection from sexual exploitation of young people. In this regard we welcome the establishment of a study committee on sexual abuse of children to be chaired, I believe, by Dr. Robin Badgley. However, the time-frame of two years for this particular study is far too long. Sexual abuse of children is rampant and widespread in Canadian society and must be put to an end quickly.

In this connection I would certainly hope, Mr. Speaker, that this important study, which hopefully will not take the full two years, will not be cut short the way the study of Corinne Robertshaw was cut short. In a disgraceful act, the hard preliminary work of a group of dedicated experts was brought to an end and Corinne Robertshaw was told to turn over to the government the raw material she had before she had written her final comprehensive report. This kind of contempt of a committee studying the important issue of child abuse must be recognized as such by members of this House. I strongly urge all members to encourage the Minister of National Health and Welfare (Miss Bégin) to permit Corinne Robertshaw to continue her study.

I also note, Mr. Speaker, that the bill does not accept the recommendation made by the Law Reform Commission in 1978, a recommendation endorsed by the National Association of Women and the Law, and a number of other groups, that sexual intercourse with an adult blood relative should not be a criminal offence in this day and age. Without taking a firm position on that question, we will certainly want to hear witnesses as to whether or not it is appropriate that within the Criminal Code we define that kind of consensual adult behaviour in private as being of a criminal nature.

I mentioned the provisions of the bill related to the serious problem—and there is no question it is a serious problem—of child pornography in Canada. All members share the revulsion at the exploitation of children for the purposes of the production of pornography. I would note that in 1978 the unanimous report of the Standing Committee on Justice and Legal Affairs recommended toughening the sanctions in this particular area. Without endorsing this time all of those recommendations, I would certainly say this is an area we will want to examine further in the committee to ensure that the provisions are

drafted in a way which would effectively meet the very real concerns about this "kiddy porn", as it is known, which is, unfortunately, all too prevalent in Canadian society.

• (1730)

Another area which is touched upon in the bill, although not referred to by either the speaker on behalf of the government or of the Conservative party, is sections of the bill with respect to gross indecency. As the House will know, these provisions are very vague and in many ways archaic. I would point out that gross indecency has been judicially interpreted as covering conduct which "violates the general instinctive sense of Canadians as to what is decent and clean as distinct from what is indecent and dirty." Those words are from the leading decision on the subject of gross indecency.

As I have said, Mr. Speaker, that definition is very broad and has been abused in a fashion which really constitutes discrimination on the basis of sexual orientation. I would urge that these provisions be repealed, as the hon. member for Vancouver Centre (Miss Carney) has urged in this House through a recent bill, that this particular provision be recognized as archaic, and that the behaviour which is attempted to be dealt with in this provision should, indeed, be covered by other sections of the proposed sexual offences legislation.

In this day and age it is most improper that there should be any laws which discriminate on the basis of sexual orientation. I would have hoped that a government, which talked in terms of a charter of rights for all Canadians, would recognize that provisions of the Criminal Code which discriminate on that basis, as does the provision with respect to gross indecency as it is applied in Canada, must be repealed. As I have said before, this is a provision which is archaic and discriminatory. Young people are adequately protected by other provisions in the sexual offences bill. I would urge the government to consider seriously repealing Section 158 of the Criminal Code.

I would like to say that the child abduction section which is included in the bill is a step in the right direction. Many of us are aware of the very serious problems which have been caused, and the great anguish which results, when children are abducted from the lawful custodial parent. They may be taken from province to province or, indeed, out of the country. Naturally, we will want to examine carefully whether the proposed penalties which are contained in this section are not excessive and whether the appropriate response in this area is, indeed, lengthy jail terms or whether, in recognizing that we must combat, and combat effectively, this serious problem of illegal child abduction there are other alternatives and other methods. I look forward to hearing from witnesses from a number of different organizations on this important question.

There are a number of evidenciary changes which for the most part we welcome, such as the overruling of the decision of the Supreme Court of Canada in the *Forsythe* case, which in many ways reverted back to the pre-1976 period and put a woman on trial, treated the complainant, as it were, as essentially being a compellable witness. But the bill does not go far enough. The bill still states that the previous sexual history of that woman with a person other than the accused should be admissible in evidence. I say very clearly that the evidence of a previous sexual history of a woman with a person other than the accused should not be admissible in a court of law when dealing with these sexual offences. Quite simply the issue is: was that woman assaulted on that particular occasion? Her history of sexual involvement with other men on other occasions must not be considered as relevant. Unfortunately, it has been the case on too many occasions that juries, and in some cases trial judges, I suspect, have failed to distinguish between the alleged purpose of such questions, which is allegedly to go to the issue of credibility. There is the general suggestion that somehow because a woman has had other sexual involvement, it was not as likely that she was sexually assaulted on that particular occasion.

Some months ago I raised in the House the case of a woman who was raped here in the Ottawa area. The man who was charged was ultimately convicted of that rape and was given a very light sentence. Mr. Justice Pennell stated that the woman who was raped was a "woman of the world", as he put it, and because she was a woman of the world that fact should be reflected in the sentence. That kind of judicial idiocy must be put to an end.

The doctrine of recent complaint, which is repealed by this bill, should have been repealed a long time ago. We welcome that repeal provision.

Clause 31 of the bill would make spouses competent and compellable witnesses in cases of violence against children. As I said earlier, we recognize the serious problem of the abuse of children. We welcome this change to the evidenciary provisions of the Canada Evidence Act. I hope this provision will cut down on the incidence of child abuse.

There is one final change in the trial procedures which allegedly deals with the *Pappajohn* decision, a decision handed down by the Supreme Court of Canada in June of 1980. This decision caused a serious setback to all Canadian women. I would briefly like to explain the effect of that decision. What the *Pappajohn* precedent made very clear was that if a man came into court and claimed that he honestly believed that a woman was consenting to an unwanted sexual assault, even if there were no reasonable grounds for that belief, he must be acquitted. In this decision, the Supreme Court of Canada followed the Morgan decision of the English House of Lords.

I would like to give one example of the devastating effect of the Pappajohn precedent in Canadian law. Shortly after the Morgan decision there was a decision known as *Regina vs. Coggin* in which a man, Mr. Leek, brought home a friend named Coggin. Both Leek and Coggin had been drinking. Leek's wife was at home and he told her that Coggin wanted to have sexual intercourse with her and that he, Leek, would also have sexual intercourse with her. The husband had sexual intercourse with his wife, after having beaten her, and then he turned her over, as it were, to his friend Coggin who had sexual intercourse with her. The whole time this was going on, Mrs. Leek was sobbing and she tried to turn away from Coggin. Coggin gave evidence at trial that he thought Mrs.

Leek had consented because her husband had said she would really enjoy the intercourse. This was the only basis for his belief that she was consenting. He was also drunk at the time.

Mr. Coggin walked out of the courtroom a free man on the basis of his belief, even though it was perverse and without any reasonable grounds, that Mrs. Leek was consenting to this act of violence, even though she put up resistance and cried. He was acquitted. This is the effect the *Pappajohn* decision will have on Canadian women.

Canadian women have clearly stated that no must mean no when dealing with rape law in Canada. I wish to give credit to the North Shore Women's Centre which has worked together with me to launch a national petition campaign to overturn this very dangerous and regressive precedent. Men and women, women's groups and other organizations, including the Canadian Association for the Status of Women, have signed this petition. Each day more people come into my office to sign it. At last count, there were over 20,000 signatures on the petition which demands that the government take action to reverse the *Pappajohn* decision.

What kind of impact will this bill have on the precedent? Unfortunately, it in no way changes the Pappajohn decision. I can assure Your Honour that we will be fighting, and fighting hard, on behalf of Canadian women and on behalf of the many organizations and individuals which have urged the government to reverse this precedent to ensure that in committee this kind of change is made and that this regressive *Pappajohn* precedent is, in fact, overruled.

● (1740)

The final area which is covered by this bill, and which is, in many respects the most important area of the bill, is clause 18. Clause 18 would redefine the crimes of rape and indecent assault as sexual assault and aggravated sexual assault. It would also eliminate spousal immunity, as I indicated earlier, and it would put an end to the sexist nature of this crime. I need give only one example. As it now stands, an indecent assault on a women is punishable by a five-year maximum sentence. An indecent assault on a man is punishable by a ten-year maximum sentence. It is that kind of inequality in our law to which we welcome changes, and this bill does, in fact, move in that direction. So there be no doubt, I immediately say that we welcome the changes with respect to the elimination of spousal immunity.

We recognize the important advance in redefining rape as a crime of violence and as a crime of aggression, and not as a crime of passion or a sexual crime. We welcome an end to the sexist nature of many parts of the Criminal Code. It has been said by a number of commentators that as often as every six minutes somewhere in Canada a woman is sexually assaulted. That works out to one out of every five Canadian women who will be assaulted against her will. I am now quoting that figure from an excellent series of articles by a Toronto journalist, Michele Landsberg. That figure does not even include the figure of rape, a crime which is inflicted on one out of every 17 women.

Mr. Baker (Nepean-Carleton): Which series is that?

Mr. Robinson (Burnaby): This was a four-part series written by Michele Landsberg appearing in the *Toronto Star* in May of this year.

It is also estimated that some 94 per cent of rapists go right on raping and, in fact, are not reported. I would like to give again one example from Toronto about the conviction of rapes in the rape area. In 1979, in Toronto, there were 207 alleged rapes which were reported. Of course, many more rapes occur than are reported. Of those 207 reported rapes, 87 men were charged. Of those 87 men who were charged, only 16 were brought to trial. Of those 16 who were brought to trial, only 12 were convicted of rape or, in some cases, of a lesser charge. Ultimately, out of 207 reported rapes—and, in fact, there is a far larger number of rapes—only 12 convictions were recorded.

To the extent that this bill attempts to encourage women to report rape, and to the extent that it will facilitate the conviction of those persons who are guilty of sexual assaults, we welcome these provisions. However, I urge the government to reconsider seriously the present classification of sexual assaults which is proposed in this bill, namely, only two broad categories: the category of sexual assault, with a maximum of ten years; and the category of aggravated sexual assault with a maximum life sentence.

I would point out that the category of sexual assault includes everything from unwanted grabbing and fondling which, indeed, must be considered to be a criminal offence, to what we now know as rape. Within that one broad, sweeping category there is far too much behaviour which I would urge should be broken down into at least three, and preferably four categories. The Canadian Advisory Council on the Status of Women recommended in 1978, and recently repeated the recommendation, that there should be four categories. While these may not be the final categories which are recommended certainly for the record, I would like to put them forward. The council proposes there be a category of sexual assault which would be an electable offence punishable on summary conviction or by indictment; sexual assault while armed with a weapon; sexual assault causing bodily harm; and finally, sexual assault with intent to maim or endanger life which would have a maximum sentence of life imprisonment.

However, in any event, many groups, and many women's groups in particular, have urged the government to change this section of the bill to broaden the category, and not to have only one sweeping category of sexual assault and another sweeping category of aggravated sexual assault.

I would also note that a concern has been expressed, one with which I associate myself, that in amending the Criminal Code in the area of sexual offences, we should not remove the all important right to trial by jury, wherever that right is presently afforded the accused. I would also point out that the bill, as it is now worded, would eliminate the offence of wounding and would rewrite the assault provisions of the Criminal Code. A number of concerns have been expressed to

me with respect to the elimination of that particular offence, and we will want to hear carefully from witnesses, such as the Canadian Bar Association, and other witnesses, as to whether this is a wise course to take.

I know that there has been some suggestion by some commentators that it is a mistake to change the name of the offence from rape to sexual assault or, indeed, to simple assault. Naturally we want to hear further evidence on this issue in committee, but on balance, though I certainly have an open mind on it, I am persuaded at this point that we should maintain the suggestion that we redefine the offence of rape as a crime of assault, and that in doing so, we call it that and recognize it as an assault.

Therefore, we welcome those changes to the provisions of the Criminal Code with respect to rape and the redefinition of rape. While those changes are important, there are at least a couple of other areas on which I would urge the government to take action, and it does not have to wait for the passage of this bill to do so. The first is with respect to increased education in the area of sexual offences and response to sexual offences on the part of the police and other individuals.

I would urge, as the Canadian Advisory Council on the Status of Women has urged, that specific educational programs be developed for persons involved in the prevention of crimes of a sexual nature, and that there be assistance both to the victims of these crimes and also assistance to encourage people who are involved in them to undertake research to find out what it is that leads people to commit these crimes.

In addition, I would urge that the government consider funding programs which would assist persons who are specifically trained to deal with and provide information to victims of sexual offences, that there be such persons in all police departments, for example, and also that specific education be provided. There is a great mystique around this area, but there should be specific education for other professionals such as doctors and lawyers, to ensure that they are qualified to provide legal, physical and psychological assistance and information needed by victims of sexual assault and, as well, by offenders.

I would urge that there be far greater funding for rape relief centres in Canada. These centres often operate on a shoestring budget, and they do perform a very valuable service in assisting the victims of sexual assaults. I would note that in my own province, for example, the province of British Columbia, there are very few halfway houses which presently assist women in these circumstances, and they cannot even begin to accommodate the demand in this area. Therefore, I would urge the government substantially to increase its funding, on a cost shared basis where necessary, of rape relief centres.

Finally, I would suggest that the government seriously examine a precedent in the United States. In 1976, the U.S. federal government established a national centre for the prevention and control of rape. As we know, rape is the fastest growing violent crime in Canada and in the United States. In view of this, I would urge the government to consider seriously the possibility of establishing such a national centre, a federal centre, for the prevention and control of rape. The American centre supports research into the causes of rape. It examines laws dealing with rape, laws dealing with the treatment of victims, and the effectiveness of existing programs to prevent and control rape. It involves itself in research and demonstration projects. It assists, through research and demonstration grants, local communities and mental health centres. Finally, it is involved in the dissemination of information with respect to the area of rape.

This is a serious offence. As I say, we welcome the changes in this law to the extent that they will reduce the incidence of sexual assaults of all nature in Canadian society. I would conclude by saying that we strongly support the principles underlying this bill. As I have indicated during the course of my remarks this afternoon, we seek a strengthening of a number of key positions. I mentioned the Pappajohn decision and the repeal of the sections with respect to gross indecency and an end to discrimination on the basis of sexual orientation in all sections of the Criminal Code. I mentioned the strengthening of the provisions on sexual exploitation of young persons and, of course, there are a number of other areas on which we will hear from witnesses at committee.

● (1750)

We want this bill to go through and be improved in committee before the end of this session. The women of Canada have waited far too long for justice and for equity and for an end to sexist race laws.

I challenge the government to take seriously its commitment made in the Speech from the Throne to reducing the incidence of violence against women. In the event that we are not able to get this bill through before the end of this session, and that would be unfortunate, I urge the government to bring back before the House, as a top priority, another, stronger bill containing the same principles, at the earliest possible time in the new session.

This party is prepared to see the bill go to committee now. We have agreed to having one speaker on behalf of this party; we have heard one speaker from the Conservative party and one from the government side. I hope that all parties will recognize the urgency of overhauling the archaic laws of Canada with respect to sexual offences and would be prepared to see this bill go to committee now.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I have listened to the debate and I want to commend hon. members for the high quality of their contribution on a matter of some considerable importance, not just to Canadian women but as well to the evolution of criminal law in Canada.

I do not want the parliamentary secretary to take any offence at my next remarks because I know the position of parliamentary secretaries. They have to do what their ministers tell them or else they do not get reappointed. There are a number of hopefuls sitting on the back benches who would be quite happy to take their places. In fact, they are waiting for

the opportunity to advance if a parliamentary secretary does not do what his minister tells him.

I think it is rather important that on a matter which is so significant, the Minister of Justice (Mr. Chrétien) should present the bill, and that the Minister of Justice be present during the course of the debate. I want to commend ministers who have sat through long debates doing their duty and I want to contrast for members of the House on all sides, what has occurred in the passage of this bill.

In the first place, it was introduced by a parliamentary secretary reading from notes that were likely prepared in the Department of Justice. They may or may not have been prepared for the minister. The Minister of Justice was in the House during Question Period yesterday. His bill was introduced last night but he was not in the House then. He was present during Question Period today and answered questions on the uranium cartel matter which, quite rightly, seems to be engaging the attention of the House. However, rather than remaining to deal with this bill, the Minister of Justice disappeared. I do not know if he has involved himself in the investigations with respect to the uranium cartel, but he does this House, the women of Canada and his own portfolio a great disservice.

I believe I heard a knock from the Gentleman Usher of the Black Rod, Mr. Speaker.

Royal Assent

THE ROYAL ASSENT

[*Translation*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

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

● (1800)

[*English*]

And being returned:

Mr. Deputy Speaker: Order, please. I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-50, an act to amend the Customs Tariff and to repeal the Irish Free State Trade Agreement Act, 1932, the Union of South Africa Trade Agreement Act, 1932 and the United Kingdom Trade Agreement Act, 1937.

Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas.

Bill C-71, an act to amend the International Development Association Act.

Bill C-72, an act to amend the National Housing Act.

Bill C-73, an act to amend the Atlantic Region Freight Assistance Act.

Bill C-74, an act to authorize financial assistance to be provided to certain international financial institutions.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 2(1).

At 6.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 9, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TRIBUTE TO PARLIAMENTARY PAGES—MOTION UNDER S.O. 43

Mr. Charles Turner (London East): Madam Speaker, I rise to move a motion under Standing Order 43 for which I ask the unanimous support of this House. Inasmuch as it appears this House is expected to adjourn soon, and noting that the parliamentary pages will leave the House of Commons in September after a year of service to this chamber, I move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House thank the pages for their outstanding service to the members;—

Some hon. Members: Hear, hear!

Mr. Turner:

—express the hope that some of them will return at a future date as members of Parliament; provide each with copies of *Hansard* for the balance of this session of Parliament, and with a copy of today's *Hansard* autographed by Madam Speaker, the Right Hon. the Prime Minister, the Right Hon. Leader of Her Majesty's Loyal Opposition, and the Leader of the New Democratic Party.

Madam Speaker: Since we are about to lose our pages, I suppose this motion is urgent and pressing. Does the House give its unanimous consent to the motion?

Some hon. Members: Agreed.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

VIA RAIL

PLANS TO CANCEL SERVICE IN ALBERTA—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, I hope I will have the same good luck with my motion of urgent and pressing necessity.

VIA Rail is planning to cancel rail service on the Edmonton-Jasper-Vancouver run which is an essential part of the historic link in transcontinental service. Further, rail service to Drumheller will be cancelled, and to Prince Rupert reduced. Since this would be an incomprehensible act economically damaging a trading area of one million people, and which represents a growth area second to none in Canada, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

That the cabinet, under Section 64 of the National Transportation Act, direct VIA Rail to conduct public hearings before any reduction in present rail service is imposed on Edmonton, an act that would have the gravest repercussions on the attitude of northern Albertans maintaining a sense of national unity.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED CANCELLATION OF SERVICE IN NEW BRUNSWICK—MOTION UNDER S.O. 43

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

Whereas the cabinet is considering cancellation of the Atlantic Limited the only national passenger train service operating in south central New Brunswick; and whereas the ridership of the train has increased substantially in the very short time it has had to prove itself and despite the aged equipment it is required to use, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House urge the government to press for an improved service and give the VIA operation a reasonable chance to fulfil its mandate before referring the matter to the CTC for an adjudication on a matter on which it ruled only two years ago.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

THE ECONOMY

CALL FOR RESIGNATION OF MINISTER OF FINANCE AND OF GOVERNOR OF THE BANK OF CANADA—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that, including today's announcement by the Bank of Canada, Canadians have for the past eight months been forced to live with record high interest rates, for which the government admits there is no end in sight, I move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That this House urges the Prime Minister to call for the resignations of the Minister of Finance and the Governor of the Bank of Canada who do nothing to lower interest rates but continue to allow banks to increase their record profits while all Canadians suffer as a result.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

SUBSIDIZATION OF AUTOMOBILE DRIVERS—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that under the provisions of that horror story known as the National Energy Program, Canadians are subsidizing the automobile driver at the rate of over $400,000 per hour, and because the government's unrealistic and indeed ridiculous energy policy has put us in the ludicrous position of subsidizing American drivers to the tune of some $256 million per year, I move, seconded by the hon. member for Edmonton South (Mr. Roche):

That this House instructs the government to start telling the Canadian public the truth by describing the energy program for what it really is, that is, not NEP but NED, a program for national economic disaster.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

POST OFFICE

POSTAL STRIKE—DEMAND FOR INTRODUCTION OF BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): I rise on a matter of extreme urgency under the provisions of Standing Order 43 to move a motion which I urge all members to support. Whereas a prominent Montreal doctor has warned the government and the union that the postal strike could well mean the retardation or the permanently handicapping of children if blood samples do not get delivered to the laboratories; and whereas farms and businesses through loss of cash flow are on the verge of bankruptcy, and millions of people are being inconvenienced to the point that their whole future is being jeopardized; and whereas some 20,000 postal workers should not be allowed to paralyse the whole nation, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House demands the Trudeau government assume its responsibilities to the nation by legislating the postal workers back to work immediately with heavy penalties for any disobedience to the said law and resuming negotiations once they have returned to work.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR ACTION TO END DISPUTE—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Postal employees were given the legal right to strike in 1967. Since then there have been 12 strikes, almost one every year. That in itself tells us quite clearly something is wrong, that the government has failed to co-operate with management and labour to make it work, instead hoping problems will go away by dumping them onto a Crown corporation. The current postal dispute is now in its eleventh day. The government has failed to provide leadership and management. The strike is causing very, very serious hardship for many Canadians. Therefore, Madam Speaker, I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House urge the government to take these problems seriously and to live up to its responsibilities and obligations by either negotiating in good faith or legislating the striking employees back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FITNESS AND AMATEUR SPORT

FUNDING REQUESTED BY CANADIAN COUNCIL OF THE BLIND—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise pursuant to Standing Order 43. In view of the fact that the minister responsible for fitness and amateur sport has seen fit to turn down a request for funding from the Canadian Council

of the Blind for recreational curling and bowling activities, and whereas this is the International Year of the Disabled, and whereas it should therefore be the policy of this government to encourage rather than discourage these special people, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the minister responsible for fitness and amateur sport be instructed by this House to reconsider immediately his decision and extend the minimal grant which the Canadian Council of the Blind requested.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

REQUEST THAT OCTOBER 16 BE PROCLAIMED WORLD FOOD DAY—MOTION UNDER S.O. 43

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I rise under Standing Order 43 to ask the unanimous consent of the House to introduce a motion of pressing and urgent necessity. I move, seconded by the former Minister of Agriculture, the hon. member for Elgin (Mr. Wise):

That Canada, being fully aware of her responsibilities within the world community as a member of the United Nations Food and Agriculture Organization, undertake to celebrate, from the year 1981 onwards October 16 as World Food Day.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Is the House ready to pass the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1415)

[*English*]

ENERGY

CALL FOR RESIGNATION OF MINISTER OF ENERGY, MINES AND RESOURCES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas it is now very obvious that Canada will not attain the goal of energy self-sufficiency because the Liberal government's ridiculous policies continue to cause supply disruptions and now postponement of the Imperial Oil Cold Lake project; whereas the Cold Lake project alone had the potential to produce 140,000 barrels of oil per day or the equivalent of $2 billion worth of energy production in one year at today's prices, and whereas this single work suspension at Cold Lake will have a devastating effect on thousands of families in my constituency of Athabasca, as well as on the security of our country and the economic prospects of the entire nation, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House direct the Minister of Energy, Mines and Resources to recognize his failure as minister of energy, swallow his pride, and for the good of this nation, resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

IMPERIAL OIL PROJECT AT COLD LAKE, ALTA.—GOVERNMENT POSITION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday's cancellation of the $12 billion Cold Lake project is the largest single casualty of the Liberal energy program to date. Until now the minister has been able to ignore, or has ignored, the 165 rigs which have left the country. He has ignored the 20 to 30 per cent drop in employment in the service industry in the west. He has ignored the large increase in imports. However, he cannot ignore the cancellation of a $12 billion project. The national interest is seriously at stake. Since this decision resulted directly from the impasse between the federal government and the province of Alberta, and is also related directly to elements of the National Energy Program, what action is the minister proposing to take since both of those reasons are within his control?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member must have spent the morning priming his rhetoric, but I wish it were accurate. There has been no cancellation of the Cold Lake project. The project is delayed until an agreement is reached between the government of Alberta and the Government of Canada. The company expressed its intention to proceed with the project if there is a satisfactory agreement between the two governments, which both governments are hoping for. As a matter of fact the statement says, "We will reassess our position on the Cold Lake project as soon as a federal-provincial agreement is reached". Therefore there is no cancellation.

There is a delay or a suspension of the work being done on this project.

As far as the project is concerned, the two governments are having discussions at the present time. I hope we will reach an agreement. It will obviously depend on both sides. I remind my hon. friend that the decision not to approve these projects proceeding is not in the hands of the federal government. It is in the hands of the Alberta government.

REQUEST FOR MEETING BETWEEN FEDERAL AND PROVINCIAL MINISTERS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the casual attitude of the minister is just incomprehensible. This is a $12 billion project which will affect all of the country. I cannot understand the minister sitting there and saying it is just suspended, it will get started again. It will take two years to get it going again. The cancellation of this project will, in 1990, result in an increase in imports of about 10 per cent, or $2 billion a year at current prices. It will result in economic opportunity lost in Ontario and Quebec. About 30 to 35 per cent of the cost of the project will be spent in those parts of the country. The minister has a responsibility to all Canadians to get these projects going. Will the minister call a meeting with Mr. Leitch at the earliest possible date to press for a conclusion of these negotiations in order to avoid further failures such as the cancellation of the Alsands project? Having meetings once a month or every couple of months is just not good enough. We have to get this project going.

• (1420)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member must not have heard the first answer. There has been no cancellation. There has been a suspension of the activities in this particular project.

Second, Mr. Leitch and I have agreed that we should meet in the latter part of July or the early part of August. We have both agreed that this is the most convenient and appropriate time to do so. The president of Imperial Oil has been advised of this situation, and he recognizes better than my friend that these difficult negotiations cannot be resolved just by a meeting called suddenly. There is a lot of work to be done.

I have proposed in the past that we try to resolve the issue of the tar sands independently for the other, more difficult issues which are still dividing us, but the government of Alberta has taken the view that there should be a global settlement and not a settlement only on the tar sands.

There is not much more I can do in that sense to speed up a resolution of this issue other than to keep on working at it and to hope that we will arrive at a satisfactory arrangement for Canadian consumers as well as the industry.

Mr. Wilson: Madam Speaker, let me just comment one more time that there is no sense of urgency evident on the part of the minister at all. The failures of the Liberal energy program just cannot be allowed to continue. The sixteen months of failure we have had to date have to end.

FUTURE OF ALSANDS PROJECT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I will repeat the question I put to the minister in my last question. What is he proposing to do to stop another disaster in relation to the Alsands project, which is coming up to a critical decision date toward the end of July? I am sure hon. colleagues on the minister's side of the House are wondering what is going on in the Department of Energy, Mines and Resources that the minister can act so casually about a major disaster like the cancellation of a $12 billion project.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am afraid my colleague has not understood or even heard my second answer. I repeat to him that there is no cancellation. Only some of the work on the project is being suspended.

Mr. Wilson: All of the work.

Mr. Lalonde: I wish my friend would read the press release put out by Imperial Oil.

My friend talks about failures. The only thing I can tell him is that his party is no doubt an expert on the subject of failures. We believe that the National Energy Program is what is best for the citizens of this country in terms of the rights of consumers, the rights of the producing provinces and the rights of consuming provinces.

We are trying to work out an arrangement with the government of Alberta and the other producing provinces which will be fair to the producing provinces and fair to the consumers of this country. We will try to arrive at an arrangement which will be better than the one even the hon. member's leader could not get in 1979.

EFFECT ON PEOPLE OF NORTHEASTERN ALBERTA

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The announcement yesterday by Imperial Oil to close down the Cold Lake project was a suspension. I hope the minister will listen to my question. We are listening to his answers. Imperial Oil indicated to me this morning that because of the suspension it is moving its people to other projects. It has let its contractor go. It has cancelled the contract, which means that to get started again it will take two years. That is a cancellation for two years.

The minister talks about the Canadian economy, about the Canadian people, and about justice for them. What in the hell justice is that to the people of northeastern Alberta? Are they not Canadians?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I certainly heard what the hon. member said. I have had meetings with the president of

Imperial Oil. There is no justification for the conclusion that the decision announced yesterday meant that it would take two years to start the project again if there was an agreement reached with the government of Alberta. There does not appear to be justification for that conclusion, certainly not from the discussions I have had with the president of Imperial Oil.

● (1425)

As far as the project is concerned, I repeat to my hon. friend something he knows very well. It has not been the Government of Canada that decided to refuse approval of those projects last year and since then.

QUERY RESPECTING DETAILS OF PROPOSED AGREEMENT

Mr. Jack Shields (Athabasca): Madam Speaker, before the oil companies proceed they want to know what the commercial arrangement will be. In other words, they want to know what the production price will be, the tax regime, and the royalties. Under the present national energy policy they do not find it commercially viable to proceed with those plants. They have indicated that to this government many times. I cannot believe the Minister of Energy, Mines and Resources will deliberately lead this House as he is obviously doing, and I cannot believe he will continue to do so.

As to the suspension of that project, Madam Speaker, Imperial oil is today assigning employees to other parts of their operation; the contractor, Fluor Canada Ltd. has been cancelled and they are reassigning their people. If this continues beyond this month, the project will not proceed for at least two years. Now, the minister cannot continue to lie to this House like he is doing.

Some hon. Members: Order.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I ask the hon. member to withdraw his allegation before I will entertain his question.

Mr. Clark: What do you call what you are doing?

Madam Speaker: Order, please.

Mr. Shields: Madam Speaker, I will—

Madam Speaker: Order, please. It is an unparliamentary expression—

Mr. Clark: It is unparliamentary behaviour.

Madam Speaker: —to say that a minister has lied. The hon. member should rephrase the question and not use those words. However, the question should be extremely short because the hon. member has taken some time to ask that question.

Mr. Shields: Madam Speaker, I will withdraw the term "lie". He is obviously deliberately misleading this House. Thank you, Madam Speaker.

Some hon. Members: Order! Order!

Mr. Lalonde: Madam Speaker, I ask that he also—

Madam Speaker: Order. Another member was speaking.

Mr. Andre: How about "tongue in cheek"?

Madam Speaker: Another member was speaking to me, but I understand now that the second expression used by the hon. member is not parliamentary either. If the hon. member could use another one, that would be helpful.

Mr. Shields: Madam Speaker, I will use an Indian term and withdraw that one. The minister is obviously speaking with a forked tongue. How does that suit you?

An hon. Member: With his nose? That is something!

Mr. Lalonde: Madam Speaker, my hon. friend is making some difficult progress and it is interesting to see him evolving in his questions. I invite him to read the statement issued by Imperial Oil yesterday. It is all set out very clearly there. He will find his rhetoric has no foundation, that he should look at what has been stated by the company itself.

As far as arriving at a price that will be adequate to ensure this project is going to proceed is concerned, that is something that we, as well as the government of Alberta, have very much at heart. However, we also have to remember that the Canadian consumer will have to pay for any such deal over the next 20, 30 or 40 years. We want to have a fair deal for the companies, but a fair deal for Canadian consumers.

An hon. Member: What about Mexico?

Mr. Lalonde: And this government is not going to be blackmailed by any oil company.

Some hon. Members: Hear, hear!

Madam Speaker: Order! Order!

Mr. Shields: How about the Canadians in northeastern Alberta?

Madam Speaker: Order! Order!

Mr. Shields: You are a bloody liar.

Madam Speaker: Order! Order! The hon. member for Athabasca will have to withdraw that interjection as well, because the Chair did hear it. I would ask the hon. member to withdraw it.

Mr. Shields: Madam Speaker, I respect your position and I respect this Chair, but the Minister of Energy, Mines and Resources is obviously lying to this House.

Madam Speaker: Order, please. I need no explanation. The Chair did hear the expression. The hon. member will co-operate with the Chair and withdraw that expression.

Mr. Shields: Well, I wish he would tell the truth, Madam Speaker. I withdraw it.

• (1430)

COMBINES

URANIUM CARTEL—RESPONSIBILITY OF PRIME MINISTER RESPECTING BERTRAND REPORT

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. Yesterday concerning the question of the uranium cartel there were many important questions pertaining to the legality of that issue. There is an equally important question concerning ministerial responsibility. I should like to ask the Prime Minister a question following a quotation from a former Prime Minister on the nature of ministerial responsibility who said that a minister of the Crown is responsible, under the system in Great Britain or Canada, for the minutest details of the administration in his department; he is politically responsible, but he does not know anything at all about them, and that when anything goes wrong in his department he is responsible therefor to Parliament. That is a quotation from a former Prime Minister in one of the standard works on parliamentary government.

Yesterday the Prime Minister said:

—I have not either gone back to read the minutes or study the report of Mr. Bertrand, which I have no right to see, since it is transmitted to the Attorney General—

Given the notion of ministerial responsibility which is widely accepted by all authorities in the field, as well as by members of this Parliament, why did the Prime Minister not request to see Mr. Bertrand's report, let alone assert yesterday that he had no right to see it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, like everyone else I learned only yesterday that there were a couple of public servants who were named but not charged. That is the first news I had of it, so I obviously could not have seen Mr. Bertrand's report before that.

In so far as the concept of ministerial responsibility is concerned, I think the hon. member would recognize that this means responsibility for administrative acts done under the direction of the minister. Obviously it does not cover the area of acts against the law, if any, committed without the minister's authorization.

REQUEST THAT PRIME MINISTER READ REPORT

Mr. Edward Broadbent (Oshawa): Madam Speaker, with respect, that is not precisely the issue I am getting at, the question of legality. The Prime Minister always wants to shift it off to that. The issue at stake is ministerial responsibility concerning decisions which may not have been illegal but might have been wrong or entirely inappropriate.

Since the Prime Minister said that he only became aware of this report yesterday as it pertained to the naming of certain senior public servants, will he now assure the House that he will look at the report to assess it in terms of the culpability, in any sense of that word but particularly in the sense of ministerial responsibility, of the number of ministers who had positions under the Crown at that time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I repeat what I said yesterday. I am not at all convinced that I would be acting within the law to look at that report. Certainly I would not—

Some hon. Members: Oh, oh!

Mr. Trudeau: We are getting into the same situation as yesterday.

An hon. Member: You gave the same lousy answers yesterday.

Mr. Hnatyshyn: You did not look very good yesterday either.

Mr. Trudeau: There is such a thing as natural justice. I intend to respect it.

Mr. Beatty: There are cover-ups too.

Mr. Trudeau: The director of combines made a report. His intention was to give it to the Attorney General in view of prosecution. I imagine that in the report there are certain allegations against certain people, since charges were brought. Those charges will be heard before a court. The allegations will be sustained before a court. The defence will have its right and natural justice, under every concept of our law, to defend itself against those precise accusations. That is the way Mr. Bertrand chose to proceed; not a trial by public opinion, not a trial by Parliament, not a trial by the Prime Minister or by the Leader of the New Democratic Party. That is the way he chose to proceed, and I intend to respect the law in that regard.

Some hon. Members: Hear, Hear!

EXERCISE OF PRIME MINISTERIAL RESPONSIBILITY

Mr. Edward Broadbent (Oshawa): Madam Speaker, the Prime Minister knows full well that the issue at stake here is not legality. No one is saying that the wrong course of action was taken in terms of the law. The question is political responsibility, and it is time the Prime Minister lived up to that political responsibility.

Some hon. Members: Hear, hear!

Mr. Broadbent: What he has just said about not knowing whether he had the right to look at the document is complete and utter rubbish, and he should know it.

Since a minister of the Crown who is still a minister of the Crown was directly involved because of ministerial responsibilities at the time, does the Prime Minister not think it is his responsibility to look at the report to see if there are any accusations, not about illegality but about ministerial wrong-

doing? Why does he not live up to his responsibilities and look at the report?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member sustains that it is rubbish that I have no right to look at the report. My understanding of the law—and until I am corrected I wish the hon. member would not describe it as rubbish—is that the Attorney General is the sole person in power to receive that, not the Prime Minister, not the cabinet, but the Attorney General of Canada. That is the way we followed that strictly, lest we be accused, as we would have been, of trying to influence the decision of the Attorney General or of trying to get him to take some other lawyers. That is not rubbish.

We have observed the law as it stands. If I can be corrected on that, I will accept it. If I have a right to look at it, I may, but my understanding of the course chosen by Mr. Bertrand was to go through the Attorney General of Canada and the law process, not the political one.

The hon. member is giving me lessons about political responsibility. For what? For what wrongdoing? There is no allegation of wrongdoing. There is an allegation of criminal action, and that is before the courts.

Mr. Broadbent: Find out if there is.

Mr. Trudeau: What political wrongdoing is the hon. member talking about? I would like to hear him make an accusation.

Some hon. Members: Hear, hear!

CARTEL'S EFFECT ON DOMESTIC PRICES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also directed to the Prime Minister. Perhaps he could shed some light on the wrongdoing. Yesterday the Prime Minister was asked at what point in time did the government of which he has been the head become aware that the activities of the cartel were affecting the domestic price in Canada. The Prime Minister answered that it was likely around 1975.

Now that the Prime Minister has had a chance to refresh his memory and to speak to his officials, could he be more specific on two points? When did he have knowledge for the first time that the cartel, in spite of whatever the government thought it was going to do, actually started to have an effect upon domestic Canadian uranium prices? Second, what was the nature of his knowledge? What did he discover to which he referred yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was answering a question by the seatmate of the hon. member. It was to the effect: when was this brought to my attention? I believe the date mentioned was that Ontario Hydro began to object around 1977. I do not have recollection of that.

Miss MacDonald: 1975.

Mr. Trudeau: I take the hon. member's date. If that is the point when there were some objections from consumers, that is the date at which it was brought to my attention, not before, and there is no wrongdoing in there.

GULF MINERALS CONTRACT WITH ONTARIO HYDRO

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is directed to the Prime Minister. Perhaps I could refresh his memory. I was wondering whether the Prime Minister can recall that Gulf Minerals signed a contract with Ontario Hydro on May 31, 1974. That was immediately after cabinet approved a new pricing arrangement with respect to the export of uranium under the cartel arrangements of $12.20 per pound. The Gulf price was $12.50 per pound for Ontario Hydro, with escalation.

Was the Prime Minister aware of that Gulf transaction involving 3.7 million pounds of uranium? Was he specifically aware that Gulf in a memo of March 8, 1974, indicated:

> The EMR staff does, however, recognize that Canadian utilities must be prepared to pay the same prices that we could achieve from export sales.

Some hon. Members: Oh, oh!

Mr. Stevens: Was the Prime Minister not aware of what was happening in the Department of Energy, Mines and Resources and, if not, why did his former principal secretary, who was then the deputy minister of that department, or the minister himself, not inform him of the impact which was affecting Canadian domestic consumers?

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the combines investigator, Mr. Bertrand, who has a very high standing in the opinion of the opposition, and two independent lawyers, looked into those facts. I did not. I do not remember the facts. They may have been brought to my attention at the time; I do not remember. I know they looked at these facts and this type of allegation, for four years.

Mr. Wilson: How do you know that?

Mr. Trudeau: Now I hear from another hon. member who asks how I know that. I presume they did their job.

Mr. Wilson: You presume.

Mr. Trudeau: I presume. So what are you going to make of that?

Mr. Wilson: How do you know that?

Mr. Trudeau: Madam Speaker, we have an investigator, Mr. Bertrand, and his people who worked at it for four years. Am I not justified to presume that they would have looked at this type of document, since it is in the hands of the hon. member? If they did look at it, I presume they also made a judgment on the basis of it, and the judgment was not to allege any ministerial wrongdoing, any cabinet wrongdoing, or even any official wrongdoing, since there are no charges against the

officials. That is all I can say, Madam Speaker. If the House wants to proceed in some other way, let hon. members suggest what it is.

An hon. Member: We do.

Mr. Andre: Release the report. Have Ouellet keep his word.

Madam Speaker: I believe one question has been answered.

Some hon. Members: Oh, oh!

EFFECT OF EXPORT PRICES ON DOMESTIC PRICES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is also for the Prime Minister whose government was responsible for setting up this international cartel. At the time the cartel was set up, what reason did the Prime Minister have to believe that a several-fold increase in the price of uranium on the international market would have no effect upon the domestic market?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I had no reason to believe that. The reason the cartel was set up was precisely because the bottom was falling out of the uranium market. It was falling out because the Americans were preventing other countries from selling to the Untied States, which was practically the sole consumer of uranium in those days. That was the situation. Prices were falling low, and workers were being unemployed in Elliot Lake, and companies were going bankrupt. That is why several countries got together to say, "Look, if the Americans think they are going to squeeze us and get cheap prices by bankrupting our companies, they won't. We will get together to hold prices up."

It just happens, and the hon. member was perhaps too young to remember, that in 1973 there was an oil crisis—

Mr. Hnatyshyn: Perhaps you are too old to remember.

Mr. Trudeau: —and there was a vast increase in the price of energy. Then uranium began to go up, and it went up very fast. I had no means of knowing in 1971 that there would be an OPEC crisis of the proportions we now have.

CREATION OF CARTEL—EXPECTED EFFECT ON DOMESTIC UTILITIES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Perhaps, Madam Speaker, the Prime Minister is getting old enough that his memory is beginning to fail him.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Beatty: If we could have order, Madam Speaker, I would ask if the Prime Minister now, for the first time, is telling the House of Commons and the Canadian people that at the time his government encouraged the creation of this international cartel, with the design of increasing international prices, he had no reason to believe that this would not have an effect upon prices paid by domestic utilities in Canada?

Second, may I ask the Prime Minister, if a request is received from the attorney general of any province for documentation relating to this incident, will the Prime Minister give the undertaking that all such documentation requested, including the full Bertrand report, will be turned over to provincial authorities?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is surprised that I had no means of knowing in 1971 that there would be an energy crisis.

An hon. Member: No.

Mr. Trudeau: The hon. member asks me if I should not have known in some way that the cartel would have an effect on prices in Canada. The whole point, Madam Speaker, is that nobody was buying uranium in Canada. That is the whole point.

Mr. Stevens: Ontario was.

Mr. Ouellet: Not then.

Mr. Trudeau: The one real buyer was the United States. The cartel was set up in order to prevent the American market from squeezing prices all over the world and keeping them down. That is why we took a defensive cartel arrangement, in order to keep prices up. It is as simple as that, to keep them up in the markets of the world.

I explained yesterday that years later when there was a significant domestic consumer, and if it is true as the combines investigator seems to have found, that some people in Canada used that international cartel to force higher prices by combines action on the Canadian people, then if they are found to have disobeyed the law, they will be punished. You cannot assume that in 1971 everyone would know that in 1977 the price of uranium would be very high. If everyone knew that, everyone would have made a killing on the stock market, including the hon. member.

REQUEST THAT BERTRAND REPORT BE MADE PUBLIC

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I address a further question to the Prime Minister on this subject. I hope he will realize that at least as far as this party is concerned we are not on a fishing trip for illegal acts on the part of any member of the government, but we do feel that having information just come out bit by bit is not satisfactory. Now that a couple of civil servants have been named, would it not be common sense and good in the interest of general understanding if the Bertrand report were made public, on the understanding that if there are any innocent names in there, outside of the politicians, they could be blocked out?

Virtually, we are asking the Prime Minister to look at the report, to realize that the information is coming out bit by bit

and the whole country wonders what is going on. Would it not be cleared up if we had the report and if there are any names there that should be kept from us, that could be done?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on this side of the House we believe that everyone in Canada is presumed innocent until found guilty by the courts. Who does the hon. member want us to leave in the report that we would publish? Who does he presume guilty? I presume nobody is guilty, and that is why I am not releasing the report.

QUERY RESPECTING POLITICAL DECISION-MAKERS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I am sorry that I did not make my first words clear enough to the Prime Minister. We are not looking for legal culpability. We want to know who made the political decisions. The only way we can know who made the political decisions, whether the people of Canada approve or otherwise, is if we get all the information. That is why we asked for the tabling of the Bertrand report.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it has been clear, I think, from my answers that we made a political decision to set up an international cartel. It is as simple as that. We made the political decision. We are prepared to stand accused, if it is a crime to protect the workers in Elliot Lake—

Mr. Shields: What about Fort McMurray and Cold Lake?

Mr. Trudeau: Madam Speaker, the combines investigator—

Some hon. Members: Oh, oh!

Mr. Trudeau: I will wait until the hon. member has the attention of his seatmate.

CHOICE OF CARTEL VERSUS MARKETING BOARD

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister has just admitted that it was his government which took the policy decision to proceed by way of an international cartel. Earlier in this question period he has admitted that he knew that at the time the cartel was formed to influence foreign prices, it would influence Canadian prices. He has admitted that. It is on the record.

My question to the Prime Minister is the following: why did his government take the decision to proceed to protect the Canadian uranium industry by way of a cartel rather than by a way of a marketing board or some other agency in Canada that would not have run the risk of breaking the law of Canada?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not quite sure how a marketing board would be set up between the countries of Great Britain, of France, of Germany, and of Australia. If the hon. member could suggest how that kind of a marketing board could have been set up and in what way it would differ from the international agreement that we actually reached, well, maybe I would plead that I made a political misjudgment. However, I am glad that the hon. member is suggesting that a marketing board would have been okay, and fixing prices would have been okay if it had been called a marketing board—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but if it was called an international agreement, then somehow it meets with the distaste of the Leader of the Opposition.

Some hon. Members: Hear, hear!

REFERENCES TO PEOPLE IN BERTRAND REPORT

Right Hon. Joe Clark (Leader of the Opposition): The Prime Minister is indicating that he cannot quite remember the details of things which happened some time ago. There are a couple of matters that I would ask him to look into so he could report back later to the House. One is to explain to the House why he chose the route of a cartel when he knows that, for example, in the case of Australia, that Australia chose a marketing board or used a marketing board. He can consult his colleague, the Minister of Agriculture, on the efficacy of marketing boards in terms of international as well as Canadian practice.

The Prime Minister has also heard, quoted in this House today, a letter from Mr. N. M. Ediger, then a senior official of Gulf, one of the companies now charged, saying:

> The EMR staff does, however, recognize that Canadian utilities must be prepared to pay the same prices that we could achieve from export sales.

That indicates that officials under his responsibility knew at that time that there would be an effect upon domestic prices.

I would ask the Prime Minister to refresh his memory and to find out why, if the officials of the department knew, the deputy minister did not know; or, if the deputy minister did know, to advise the House that he did, and to advise the House of the state of knowledge of the minister and the Prime Minister at the time. I would like him to do that for tomorrow, because it will give him a chance to look into the record.

Let me now ask the Minister of Justice a question about—

(*The Prime Minister rose.*)

Some hon. Members: Sit down!

Mr. Clark: Let me ask the Minister of Justice about the contents of the—

Madam Speaker: Order. For the time being the Right Hon. Leader of the Opposition has the floor.

Mr. Clark: Thank you.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Pierre, you are not above the law.

Mr. Clark: Let me ask the Minister of Justice, the Attorney General of Canada, who has seen the Bertrand report, which he refuses to make available to the people and the Parliament of Canada, whether there is any reference in that report to the Hon. Donald Macdonald or to Mr. Jack Austin, as he then was?

Hon. Jean Chrétien (Minister of Justice and Attorney General and Minister of State for Social Development): Madam Speaker, the report has been given to me by Mr. Bertrand, and there was some recommendation made in that report by the lawyers whom he had retained for the inquiries. After analysing all the documents they had in their possession, they decided to recommend that I prosecute, and that is exactly what I have done. The report is now in the hands of Mr. Brown, who was the author of it, and it has gone to be the base toward presentation in court. I have received that. I have accepted his recommendation. The matter will be dealt with in front of the court.

As far as my responsibility as Attorney General of Canada to decide if there should or should not be prosecution, I have accepted the recommendation that there should be prosecution, and the matter will be dealt with in the court. It was my privilege to have accepted this recommendation. I have nothing else to add.

QUERY RESPECTING HON. DONALD MACDONALD AND SENATOR JACK AUSTIN

Right Hon. Joe Clark (Leader of the Opposition): The minister neglected my question. Was there reference in the Bertrand report—

Miss MacDonald: He did not say no.

Mr. Clark: —to the Hon. Donald Macdonald or to the now Senator Jack Austin, then Jack Austin, deputy minister of Energy, Mines and Resources? Was there reference in the Bertrand report, which he refuses to publish in this House of Commons, to either of those two individuals?

Hon. Jean Chrétien (Minister of Justice and Attorney General and Minister of State for Social Development): Madam Speaker, I do not intend to answer that question—

Some hon. Members: Oh, oh!

Mr. Chrétien: —because I received a confidential report from Mr. Bertrand.

An hon. Member: Taking the fifth amendment.

Mr. Chrétien: He put in front of me the evidence that they have gathered to go in front of the court. It is a case that will be heard in front of the court. It is now in the hands of the court, and I will not add anything. It is the responsibility of the court to decide what to do with that case.

[*Translation*]

AGRICULTURE

STABILIZATION OF PORK PRICES—DELIVERY OF CHEQUES TO PRODUCERS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Agriculture. With respect to the pork prices stabilization program, in view of the fact that the government has announced a subsidy and that hog producers had the opportunity, before the postal strike, to apply for a stabilization payment, can the minister tell the House, since the cheques should have been sent a few days ago, what he will do to forward the cheques to producers? Will special agencies be set up so that the cheques will be sent to producers as soon as possible?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have received, I believe, about 7,000 applications from farmers for a stabilization payment. They are being processed as we receive them. Some of them are using other ways and means to get them to us. We will use our agriculture offices and any facilities that we have at our disposal to distribute the cheques to the farmers.

* * *

COMBINES

URANIUM CARTEL—PROTECTION OF CANADIAN CONSUMERS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Right Hon. Prime Minister. I would like to ask the right hon. gentleman a question dealing not only with political responsibility but with legal culpability as well. Since yesterday the Prime Minister admitted in the House that he only became aware, three years after the establishment of the cartel, of its impact on domestic prices for uranium—in other words, he became aware of it in 1975—I would like to ask the Prime Minister what did he do in 1975 when he became aware of the fact that the cartel was impacting on domestic prices. What steps did he take or what sanctions, if any, did he put in place to protect Canadian domestic consumers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, when I was saying I had no idea of any particular complaint of consumers, I had reference to the 1977 date provided me by the hon. member's colleague.

Miss MacDonald: 1975.

Mr. Trudeau: 1977 is when the hon. member said that Ontario Hydro complained, when they complained we created a combine.

I was not following the uranium market in Canada or abroad. Everyone knows that, as a matter of theory and practice, international prices do affect domestic prices. So,

here we are. I mean there is nothing new in that. Even the hon. member would know that international prices affect Canadian prices for petroleum. They have even been arguing that the international prices should be the Canadian prices. Certainly Premier Lougheed has been arguing that.

Mr. Clark: That is not true, either.

Mr. Trudeau: Therefore international prices do affect prices in Canada. That is obvious. The issue is not whether the international cartel affected prices in Canada. The issue is whether there were cartel actions in Canada, price fixing, in other words, among the sellers, among themselves, so that they would control the market in Canada as they had been authorized to control the international markets by—

An hon. Member: That is ludicrous.

Mr. Trudeau: Well, what is ludicrous in that? I interrupt my answer, and let us hear what is ludicrous.

TIMING OF GOVERNMENT ACTION

Hon. James A. McGrath (St. John's East): As the Prime Minister, as the chief law enforcement officer of the country, or the one responsible for the rule of law in the country, is the Prime Minister now telling the House that he had to await a complaint on the operation of a cartel that was contrary to the Combines Act in Canada before he took his responsibility and took action as a government under the Combines Act? Is that the position he is putting to the House?

Further, I would like to ask the Prime Minister what happened between 1975, when he first became aware of the cartel operating on domestic prices in Canada, and the triggering off of the Combines Act in the fall of 1977. What happened during that two-year period when the Prime Minister, by his own admission, know that there was an illegal cartel operating in this country? Unless he is prepared to answer that question, he stands guilty of a massive cover-up and an illegal act.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): I must have some kind of question of privilege arise here. The hon. member says that I knew that there was an illegal cartel operating in Canada.

Mr. McGrath: You said so.

Mr. Trudeau: That is not true, Madam Speaker.

Mr. McGrath: You said so.

Mr. Trudeau: I wish the hon. member would support his allegation. I have been explaining, until I am blue in the face, that there was an international cartel—

Mr. McGrath: Yes.

Mr. Trudeau: —operating internationally.

Mr. McGrath: Yes.

Mr. Trudeau: I never—and it was legal.

Mr. McGrath: You said you knew in 1975 that it was operating in Canada.

Madam Speaker: Order, please.

Mr. Trudeau: I did not say that.

Mr. Clark: Sit down, Pierre.

Madam Speaker: Order, please. I would appreciate it if hon. members on the opposition side would allow hon. members on the other side to answer the questions, and not engage in a dialogue. It is just impossible to conduct a question period in that manner. I will ask the Right Hon. Prime Minister if he can now answer the question, hoping that he will be able to go to the end of that answer.

Mr. Trudeau: The point is that if I had known a cartel was operating illegally in Canada, and if I had not asked for an investigation, and if the Minister of Justice—and all these "ifs"—of course I would stand condemned. But nobody knew there was cartel action in Canada. We knew that the international prices naturally affect the price in Canada. That does not mean there is price fixing. Just because Alberta is asking more than we are prepared to settle for does not mean that they are price fixing in a way which is illegal. They are trying to get international prices. I imagine that the companies in Canada were trying to sell to Ontario Hydro or to any other buyer for as much as they could get. That is what a seller does, try to get the best price. That is not illegal. What is illegal is when they combine to fix the market in Canada.

• (1500)

An hon. Member: No.

Mr. Trudeau: Now I have another view of the law. That is my view of the law, Madam Speaker. We have no evidence that they were. Mr. Bertrand looked into the matter and after four years he found that he had some evidence against some people, which he put in a report. These people will have to answer before the courts. What is so complicated about that? Why do they not try to understand?

ACCEPTANCE OF POLITICAL RESPONSIBILITY FOR ACTIONS OF CIVIL SERVANTS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Prime Minister. It is not a very complicated question. It is a fundamental issue of political responsibility.

In view of the fact that the Bertrand commission suggests by naming two civil servants as unindicted co-conspirators that they may have been involved, that they may have been involved wrongdoing, does the Prime Minister accept some political responsibility for the actions of those civil servants? Was his government aware of their actions during the relevant time, or is the Prime Minister going to hang these civil

servants out to dry and refuse to accept any political responsibility for their actions?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, they have not even been charged. The hon. member is making some suggestion that they must be guilty and, therefore, we are guilty by association. They have not even been charged. Why do we not let the matter come before the courts? Some defendants want to make allegations. If they have to call for Mr. Bertrand's report or some other report, maybe they will. But I am not going to conduct the trial.

An hon. Member: Oh?

Mr. Trudeau: Don't be an ass.

Some hon. Members: Oh, oh!

PROVISIONS IN COMBINES INVESTIGATION ACT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, Mr. Bertrand has stated, in submitting this report to the government before he was appointed to the Anti-dumping Tribunal, that he was quite prepared to have at least a summary of the report made public. I have a copy of the Combines Investigation Act before me. I would challenge the Prime Minister to indicate any provision in this act which states that he has no right to view the particular report in question and determine whether or not his ministers had some responsibility for the actions that are referred to in that report. Where in this act is the Prime Minister denied the right to view that report?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): In my opinion, Madam Speaker, it is absolutely essential that hon. members opposite understand how the investigations are conducted under the competition legislation. It is absolutely essential that all such investigations be made in secret because, the moment we begin making public and tabling the contents of those investigations, we significantly reduce the ability and the efficiency of the Director of Investigations. Second, we would cause serious prejudice to those who have been subjected to an investigation and against whom no charge has been laid. We are then victimizing those people by publishing the reports. I can say to the hon. member that indeed the competition policy agency has made its investigation and that the accusations now made public as a result of the decision of the Attorney General faithfully reflect the summary of the proof as well as the recommendations submitted by Mr. Bertrand to the Department of Justice.

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-83

Mr. Pinard: On a point of order, Madam Speaker. I have had the usual consultations with my colleagues. Since today is Thursday and since perhaps we would like to adjourn tomorrow, I should like at this time to inform the House about an agreement which was reached after the usual consultations concerning the business of the House and which is as follows. I drafted the text of the motion as follows:

[*English*]

That a bill entitled an act to amend the Senate and House of Commons Act, the Parliamentary Secretaries Act, the Salaries Act and the Members of Parliament Retiring Allowances Act shall be considered this day at the first reading stage, at the second reading stage, at the Committee of the Whole stage, the report stage, the third reading stage, provided that all stages shall be completed by 9.45 p.m.; and further provided that a division shall be ordered at the third reading stage.

That last request has been made by the hon. member for Winnipeg North Centre (Mr. Knowles). It was also our intention to make the same suggestion.

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

Some hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

Motion agreed to.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES

First report of Special Joint Committee on the Official Languages—Mr. Corbin.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

MANAGEMENT AND MEMBERS' SERVICES

Mr. Gérard Duquet (Quebec-East): Madam Speaker, I have the honour of tabling the third report of the Standing Committee on Management and Members' Services. If it please the House, I shall move that report be concurred in later on today.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

[*English*]

POINT OF ORDER

MR. McGRATH—ALLEGED MISREPRESENTATION OF REMARKS OF MR. TRUDEAU

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order. I do not believe the Prime Minister (Mr. Trudeau) is in the House, but during the course of the question period he did suggest that I had misled the House in misintrepreting or misquoting what he had said. I will delay my point of order until tomorrow when perhaps the Prime Minister will be in the House. I understand he will be absent tomorrow, but I can speak from the record as to what the Prime Minister said yesterday. As reported at page 11326 of *Hansard,* the Prime Minister said:

> It was several years, I think three years after the international agreement had been made, that this international cartel began to have some possible effects within our country.

The Prime Minister said that I was guilty of misrepresenting what he said when I said that he was aware of the impact of the cartel in 1975. The record speaks for itself, Madam Speaker.

Madam Speaker: I want to rule on this point of order. It seems to me that the hon. member is debating the question. Interpretations of what is said on both sides of the House does not constitute a point of order and cannot be used to continue the debate once questions have been answered in the House.

If the hon. member wants more clarification about what the Prime Minister said or the interpretations put on whatever he said or whatever the Prime Minister said, he can pursue that matter in question period or at some other time.

* * *

BUSINESS OF THE HOUSE

Mr. Clark: Madam Speaker, I have a question for the government House leader relating to House business. The government House leader has given notice of his intention to introduce a motion to adjourn the House of Commons.

He will know, as the country does, that we are now in the grips of a very serious postal strike. It is a postal strike that we all hope can be resolved very quickly by negotiation. I think it is certainly clear that we on this side of the House do not want to go home, and do not propose to go home, until mail service has been restored in this country.

● (1510)

Would the government be prepared to interrupt any adjournment proceedings or any other legislative plans it might have in order to ensure that the House of Commons, if necessary, could consider back to work legislation if the postal strike is not solved by means of negotiation? Can we be assured that the House of Commons will not go on holiday before postal service is restored in this country?

Mr. Pinard: Madam Speaker, I am rather surprised at the suggestion of the right hon. Leader of the Opposition. There were discussions among House leaders and we talked about moving the motion of adjournment tomorrow. There was no firm agreement, but there was a clear understanding that we would adopt such a motion before the end of the afternoon tomorrow. Maybe I misunderstand what he is saying, but it is clearly our intention, after having dealt with Bill C-82 tomorrow—

Mr. Knowles: Hear, hear!

Mr. Pinard: —a bill cherished by the hon. member for Winnipeg North Centre, to move the motion to adjourn. We hope that the understanding we have will be carried out and that we will be able to leave tomorrow. If this is a notice of some kind of filibuster on the motion to adjourn, I take good note of it. There is nothing much I can do.

Mr. Clark: What the government House leader can do is respond to my question. Naturally we would approve of priority being given to Bill C-82. I think the government House leader will agree that there had been no agreement that a motion to adjourn the House introduced tomorrow would terminate tomorrow. There has been no agreement on that point. I am serving notice to the government House leader now that we do not intend to leave this House of Commons, to let the House of Commons adjourn, until postal service has been restored. We would like to see it restored by negotiation.

My question to the government House leader, which he has not answered, is whether he is prepared to interrupt his plans for adjournment or for legislation other than Bill C-82, to introduce and allow the House of Commons to deal with back to work legislation if that is necessary, in the event of a failure in negotiations in order to ensure that Canadians can have their mail delivered before they have their members of Parliament home.

Mr. Pinard: Madam Speaker, the answer is no, we do not intend to legislate the workers back. It is their right to strike and that is what they are doing. We are hopeful that they will negotiate a settlement. That is their right. We hope there will be an end to the strike by negotiation. The Prime Minister has been stating very clearly since the beginning of the week that we do not intend to legislate the workers back to work. I reiterate that I am very much surprised by that kind of question because it was never raised with me when we talked about the motion to adjourn. On the contrary. There was no firm agreement, but there was a clear understanding that we were to adjourn tomorrow afternoon.

Mr. Clark: No firm agreement.

[*Translation*]

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING SALARIES OF SENATORS AND MEMBERS

Hon. Yvon Pinard (President of the Privy Council) moved for leave to introduce Bill C-83, to amend the Senate and House of Commons Act, the Parliamentary Secretaries Act, the Salaries Act and the Members of Parliament Retiring Allowances Act.

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

Madam Speaker: When shall the bill be read the second time?

Some hon. Members: Later on today.

Madam Speaker: Pursuant to the order passed earlier, the bill shall be read the second time later on today.

* * *

MANAGEMENT AND MEMBERS' SERVICES

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Gérard Duquet (Quebec-East) moved: That the third report of the Standing Committee on Management and Members' Services tabled earlier today be concurred in.

Motion agreed to.

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

AUTHORIZATION OF TRAVEL FOR SUBCOMMITTEE

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, following consultations with the other parties, I request the unanimous consent of the House, without debate in support of the following motion, seconded by my colleague the hon. member for Gatineau (Mr. Cousineau):

That the sub-committee on Canada's Relations with Latin America and the Carribean of the Standing Committee on External Affairs and National Defence and members of the sub-committee, be authorized, whenever the sub-committee deems necessary to do so, to adjourn or travel from place to place inside or outside Canada when the House is not sitting, and that such travels be completed before October 14, 1981; and that, whenever it is deemed necessary, the sub-committee or its members, as the case may be, be accompanied by the necessary staff.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Motion agreed to.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

COMBINES

URANIUM CARTEL—ALLEGED FAILURE OF MR. TRUDEAU TO EXERCISE RESPONSIBILITIES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the failure of the Prime Minister (Mr. Trudeau) to exercise his responsibilities in the serious question of potential ministerial culpability in the establishment of a uranium cartel in Canada.

Madam Speaker: The hon. member for Oshawa (Mr. Broadbent) has given me notice under the terms of Standing Order 26 of his intention to move the adjournment of the House to discuss the alleged failure by the Prime Minister (Mr. Trudeau) "to exercise his responsibilities in the establishment of a uranium cartel in Canada".

It seems to the Chair that the hon. member's motion is couched in the terms of a non-confidence motion in the Prime Minister, which is not envisaged by the provisions of Standing Order 26. I need not quote any rulings by my predecessors as hon. members are aware that there are ample precedents to this effect.

Furthermore, the motion raises a substantive matter which can only be dealt with by a distinct motion after due notice. In my view, the motion relates to the conduct of a minister and to that extent it is excluded from the operation of Standing Order 26. I refer hon. members to Section 16(f) of the Standing Order, and I quote:

—the discussion under the motion must not raise any question which, according to the Standing Orders of the House, can only be debated on a distinct motion under notice.

In other words, the motion is essentially of the nature of a censure motion and as a substantive motion it cannot be considered under the provisions of Standing Order 26.

I might add that the logic of this rule is that it would be unfair for the members or the ministers concerned to have their conduct debated under a motion to adjourn the House rather than a specific motion dealing with the substantive question upon which a decision could be taken by the House.

A motion pursuant to Standing Order 26 is not subject to a decision by the House; it is merely a vehicle for debate. Even if it were subject to a decision by the House, the decision would only be as to whether or not the House was to adjourn. Therefore, I cannot allow the debate under Standing Order 26.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,483, 1,557, 2,348, 2,394, 2,473, 2,553, 2,554, 2,582, 2,583 and 2,618.

[*Text*]

FIRA—HOUDAILLE INDUSTRIES INC.

Question No. 1,483—**Mr. Deans:**

1. Did Houdaille Industries, at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfillment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Foreign Investment Review Agency is concerned: 1. Houdaille Industries Inc.—Acquisition of control of Houdaille Industries of Canada Limited:

Yes.

No.

(a) and (b) The investment was allowed on December 6, 1979, and the annual review would normally commence on or about December 6, 1980; however, because of the closure of the Oshawa facilities, an early investigation was conducted.

2. (a) and (b) The investigation revealed that there was no non-compliance with the original commitments. The plant and equipment of Houdaille Industries of Canada Limited have been purchased by A. G. Simpson Co. Ltd., a Canadian-controlled company.

OFFICE OF SENATOR R. J. PERRAULT

Question No. 1,557—**Mr. Munro (Esquimalt-Saanich):**

1. Is the hon. Senator Perrault entitled to exempt staff and, if so, how many?

2. Did the hon. Senator Perrault fill any positions by appointment and, if so (a) which positions (b) what was the job description and qualification for each position (c) what is the salary for each position?

3. What duties have been assigned to the exempt staff and appointed members of the hon. Senator Perrault's staff and what is the name of each person appointed?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Senator Perrault is entitled to exempt staff. He may have as many such persons as he deems necessary within the limitation of the over-all manpower budget prescribed for every minister of the Crown.

2.

Dewit, A.	CR-3	$12,815—$15,875
Dormer, M.	Special Assistant	Up to $30,000
Dowling, S. A.	ST-SCY-1	$ 9,424—$13,423
Hanson, C.	Special Assistant	Up to $30,000
Higgs, G. F.	Special Advisor	Up to $35,000 or more with T.B.'s approval
Ladouceur, P.	Private Secretary	Up to $23,000
VanRoggen, P.	CR-2	$10,740—$13,212
Whyte, A. M.	CR-3	$12,815—$15,875
Ritchie, T.	CR-4 Registry and Library Clerk	$12,933—$17,633
Gautam, M.	CR-1 Junior File Clerk	$ 9,071—$11,745

The Office of the Leader of the Government in the Senate had one classified public service position with an incumbent at the time Senator Perrault was appointed (Registry and Library Clerk).

In addition, a term position (less than three months) was established and staffed (Junior file clerk—August '80—November '80). All other positions are exempt staff.

3. The duties of exempt staff are to assist their minister as directed.

"SHOP CANADIAN" PROGRAM

Question No. 2,348—**Mr. Dinsdale:**

Since the inception of the advertising program "Shop Canadian" (a) how long has the trailer been travelling and for how much longer will it be travelling (b) which communities has it visited (c) what is the cost to date (d) will it be in operation next year?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): The Departments of Industry, Trade and Commerce, Supply and Services and the Canadian Unity Information office have no knowledge of such a trailer as identified by the hon. member. For additional information, the hon. member may wish to refer to question 2,297 answered May 19, 1981.

CANADIAN ARMED FORCES—SUMMARY TRIALS AND COURTS MARTIAL

Question No. 2,394—**Mr. Robinson (Burnaby):**

1. For each of the past ten years, what was the number and type of summary trials and courts martial held (a) in each region of Canada (b) overseas?

2. For the same years, what number of cases involved civilians and what number were family as opposed to civilian employees?

3. For each of the past three years, what were the (a) charges (b) penalties at courts martial?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. Statistics on the number of summary trials are not kept. However, a survey of all the commands of the Canadian Forces shows that approximately

Order Paper Questions

8,000 summary trials were conducted in 1980 and since this figure for last year is not considered unusual, the figures for past years would be in the same range.

(a) and (b) The number of courts martial for each of the past ten years by region of Canada and overseas is listed below.

2. The number of cases which involved civilians, listed as employees and dependants, is presented below.

3. (a) The most commonly used charges were as follows:

National Defence Act	— Sections	74; 80; 87; 101; 104; 106; 107; 114; 115; 119.
Criminal Code of Canada	— Sections	149; 156; 203; 228; 233; 234; 236; 245; 294; 306; 387.
Narcotics Control Act	— Sections	3; 4.
Food and Drug Act	— Sections	41; 42.

(b) The most widely used penalties were fines and incarceration (i.e. imprisonment or detention).

Trials by Court Martial—Canadian Forces Personnel

1971
Total number: 66
Regionally in Canada: Ottawa—1; Halifax—3; Valcartier—5; Montreal—3; Dana—1; Winnipeg—2; Toronto—1; St Hubert—2; Bagotville—1; Petawawa—1; Portage La Prairie—1; Calgary—2; Esquimalt—1.
Overseas: 42

1972
Total number: 58
Regionally in Canada: St Jean—2; Valcartier—1; Summerside—1; Shearwater—3; Borden—1; Esquimalt—7; Petawawa—4; Toronto—1; St Hubert—1; Halifax—3; Sydney—1; Edmonton—1; Chilliwack—1; Montreal—1; Kingston—1; Bagotville—2.
Overseas: 27

1973
Total number: 64
Regionally in Canada: Bagotville—2; Comox—1; Mont Apica—3; Halifax—3; Esquimalt—3; Ottawa—1; Montreal—6; Valcartier—2; Cold Lake—2; Toronto—1.
Overseas: 40

1974
Total number: 90
Regionally in Canada: Winnipeg—1; Lowther—1; Shearwater—1; Chatham—1; Comox—3; Petawawa—3; Kingston—6; Bagotville—1; Valcartier—7; St Jean—1; Halifax—7; Calgary—6; Trenton—2; Esquimalt—2; Borden—4; Sydney—1; Toronto—1; Brantford—1; Gagetown—1; Edmonton—1; Chilliwack—1.
Overseas: 38

1975
Total number: 118
Regionally in Canada: Esquimalt—13; Winnipeg—3; Halifax—24; Ottawa—2; Valcartier—8; Kingston—2; Summerside—2; Borden—3; Shearwater—3; Cornwallis—2; Petawawa—2; Montreal—5; Calgary—1; Chilliwack—2; Gagetown—1; St Jean—1.
Overseas: 44

1976
Total number: 99
Regionally in Canada: Petawawa—2; Summerside—4; Esquimalt—11; Calgary—2; Halifax—14; Valcartier—3; Toronto—2; Shilo—2; Kingston—11; Borden—2; Cold Lake—1; Toronto—2; North Bay—1; Bagotville—4; Gagetown—3; Shilo—1; Montreal—1; Greenwood—4; Comox—1; Wainwright—1.
Overseas: 27

1977
Total number: 90
Regionally in Canada: Montreal—1; Kingston—3; Comox—5; Valcartier—7; Ottawa—2; Halifax—13; Esquimalt—14; Edmonton—1; St Jean—3; Chilliwack—4; Toronto—1; Shelburne—1; Calgary—2; Shearwater—2; Moose Jaw—1; Trenton—2; Bagotville—1.
Overseas: 27

1978
Total number: 128
Regionally in Canada: Masset—1; Esquimalt—6; Valcartier—15; Kingston—3; Montreal—1; Halifax—24; Shelburne—2; Ottawa—1; Mont Apica—2; London—4; Shilo—1; St Jean—2; Winnipeg—5; Edmonton—1; Gander—1; Gagetown—3; Bagotville—2; Chilliwack—1; Wainwright—1; Chatham—2; Borden—2; Trenton—2; Falconbridge—1; St John's—1.
Overseas: 44

1979
Total number: 111
Regionally in Canada: Calgary—13; Cold Lake—3; Halifax—7; St Jean—2; Esquimalt—7; London—2; Valcartier—3; Kingston—6; Beaverlodge—1; Chilliwack—4; Inuvik—2; North Bay—1; Beausejour—2; Edmonton—2; Ottawa—2; Trenton—1; Mont Apica—1; Montreal—2; Moose Jaw—1; Toronto—2; Gagetown—1.
Overseas: 46

1980
Total number: 135
Regionally in Canada: Montreal—5; Valcartier—8; Halifax—27; Petawawa—6; Calgary—2; Chilliwack—2; Borden—5; Kingston—6; Esquimalt—5; Summerside—2; London—6; St Jean—1; Winnipeg—2; Ottawa—1; Kamloops—1; Gagetown—3; Trenton—1; Edmonton—1; Cold Lake—1; Cornwallis—1; Shilo—1; Royal Roads—1.
Overseas: 47

Trials by Court Martial—Civilian Personnel

	1971	1972	1973	1974	1975
Employees	4	2	1	2	6
Dependants	6	6	12	8	15
	1976	1977	1978	1979	1980
Employees	1	Nil	1	Nil	3
Dependants	12	11	13	14	7

SOVIET AIRCRAFT IN CANADIAN AIRSPACE

Question No. 2,473—**Mr. Greenaway:**

1. Did the Department of National Defence or any government agency record incidents of MIG-25s or other Soviet aircraft flying into Canadian airspace and, if so, in each year 1975 to date (a) how many incidents (b) at what location were the recordings noted (c) for what purposes were the aircraft in Canadian airspace?

2. Did the government make representations to the government of the U.S.S.R. regarding the flights and, if so, what was the nature of the representations and of the responses thereto?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. (a), (b) and (c) The Soviet airline, Aeroflot, fly IL62 type aircraft on a scheduled route between Moscow, Gander, Montreal, New York and Washington and with the exceptions of these flights, Soviet aircraft have not flown in Canadian sovereign airspace. However, since 1975 there have been occasions when Russian Air Force TU-95 aircraft (NATO name: Bear) have flown through a portion of the Atlantic coastal Canadian air defence identification zone while en route from U.S.S.R. bases to Cuba but these tracks have all been east of Gander, Newfoundland, and well beyond Canada's 12 nautical mile territorial limit.

2. Not applicable.

INDUSTRY, TRADE AND COMMERCE—PRATT & WHITNEY

Question No. 2,553—**Mr. Stewart:**

Did the Department of Industry, Trade and Commerce pay Pratt & Whitney, Longueuil, $10.7 million to design, build and test an engine known as PT7A-2R and, if so, for what purpose is the engine being designed?

Hon. J.-J. Blais (Minister of Supply and Services): The Crown, through the Defence Industry Productivity Program of the Department of Industry, Trade and Commerce, will pay 50 per cent of the actual costs reasonably and properly incurred for the development of the engine but not exceeding $10.7 million. The manufacturer is paying for the balance. Concerning the purpose for which the engine is being designed, see question 2,554, part (a), answered today.

Question No. 2,554—**Mr. Stewart:**

Did the Department of Industry, Trade and Commerce pay Pratt & Whitney, Longueuil, $39,484,000 to design, build and test an engine known as PT7A and, if so (a) for what purpose is the engine being designed (b) was the engine built and tested to the satisfaction of the department?

Hon. J.-J. Blais (Minister of Supply and Services): The amount of $39,484,000 represents 40 per cent of the actual costs reasonably and properly incurred for the design, development, performance testing and certification testing of the engine. The Crown's contribution is not to exceed the above-mentioned amount and Pratt & Whitney is financing the balance.

(a) The PT7 engine is a new advanced technology, three shaft turbo propeller engine in the 2000 shaft horsepower class, and the PT7A is a variant of it. The market requirement is for powering the new 30 and 40 passenger class commuter aircraft, such as the de Havilland Dash-8 and the Brazilian Embraer EMB-120 aircraft. The PT7 represents the beginning of a new family of engines in a power range above that of the highly successful PT6 engine.

(b) The engine is being developed and has not yet reached the testing stage.

1981 CENSUS—ADVERTISING EXPENDITURE

Question No. 2,582—**Mr. Cossitt:**

What was the total cost of all government advertising for the 1981 Census, including a breakdown of the amount allotted to (a) daily newspapers (b) weekly newspapers (c) magazines or other periodicals (d) radio (e) television?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: the total cost of all government advertising for the 1981 Census is estimated to be $1,700,000. The amounts allotted were:

(a) to daily newspapers:	$374,194
(b) to weekly newspapers:	$265,703
(c) to magazines or other periodicals:	$ 33,143
(d) to radio:	$456,898
(e) to television:	$301,480
(f) to other media:	$ 68,615

Production costs of approximately $200,000 are not included.

1981 CENSUS—ADVERTISING AGENCIES

Question No. 2,583—**Mr. Cossitt:**

Were advertising agencies used by the government in connection with the 1981 Census and, if so, in each case (a) what was the name (b) how was the agency selected (c) how many contracts were let and what was the amount in each case (d) were competitive bids or presentations requested at any time and, if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: the government did use advertising agencies in connection with the 1981 Census.

(a), (b) and (d) See question 2,036, parts 7(a) and (b), tabled April 23, 1981.

(c) Three contracts were let as follows:

Palmer Jarvis and Associates Advertising Limited	$532,000
Gordon Hill Advertising Limited	$746,000
Publicité Média Ltée	$497,000

DOT—CONTRACT WITH DSMA ATCON LIMITED, TORONTO

Question No. 2,618—**Mr. Stewart:**

Did the Department of Transport contract with DSMA Atcon, Toronto, for $129,578 for an evaluation of a hybrid experimental vehicle and, if so (a) what is the purpose of the vehicle (b) what were the results of the evaluation?

Order Paper Questions

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Supply and Services and Transport as follows: the Department of Supply and Services on behalf of Transport Canada awarded a contract valued at $129,578 to DSMA Atcon Limited for an evaluation of a hybrid experimental vehicle.

(a) The purpose of the vehicle is to serve for the evaluation of the potential fuel saving in a hybrid electric/internal combustion engine configuration under actual road conditions.

(b) The results of the evaluation will only be available during the winter of 1981-82.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,003 could be made an order for return, this return would be tabled immediately.

[*Text*]

CANADIAN CREDIT TO U.S.S.R. AND OTHER EASTERN BLOCK COUNTRIES

Question No. 2,003—**Mr. Friesen:**

1. In each year since 1950 to date, what amount of credit was extended by Canada (a) in loans (b) in grants (c) in wheat sales (d) by other means to (i) the U.S.S.R. (ii) other Eastern Block countries?

2. For each category, what amount was repaid and on what dates were the payments received?

3. What is the present financial indebtedness to Canada of (a) the U.S.S.R. (b) other Eastern Block countries?

Return tabled.

[*English*]

Mr. Blackburn: Madam Speaker, my question of privilege is very important and cogent. Question 2,250 relates to the hunting down and bringing to trial of suspected—

● (1520)

Madam Speaker: Order. I presume the hon. member is raising a point of order and not a question of privilege.

Mr. Blackburn: I am raising a point of order. I am sorry, Madam Speaker.

I asked this question four months ago, and the reason I asked the question was that about a year and a half ago the Solicitor General said he would make this one of his top priorities and that an effort would be made to root out and bring to trial suspected Nazi war criminals allegedly living in this country. My question addressed itself to that.

The parliamentary secretary has had four months in which to answer this question, which requires a "yes" or a "no". Is the government actively searching, through the RCMP, I presume, for suspected Nazi war criminals, members of the Nazi party of Germany, the S.D., the S.A., the S.S. and so forth. If so, all the parliamentary secretary would have to say is "yes" or "no".

I think this question is extremely important because it relates to purported government policy of which we have heard absolutely nothing since this government came into office.

Mr. Collenette: Madam Speaker, I will have to take note of the hon. member's representation, and I will try to ensure that he gets an answer before the end of the session. This is the first time he has raised the matter of the urgency of the question. I will look into it and try to get back to him.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING SALARIES OF SENATORS AND MEMBERS

Hon. Yvon Pinard (President of the Privy Council) moved that Bill C-83, to amend the Senate and House of Commons Act, the Salaries Act, the Parliamentary Secretaries Act and the Members of Parliament Retiring Allowances Act, be read the second time and referred to Committee of the Whole.

He said: Madam Speaker, today the House is studying a bill aimed at raising the salaries of members of Parliament. Some people will say that the timing is wrong, but there can never be a right moment! We are always expected to study and solve only the problems of the nation. The public always forgets that we are men and women who of course accept this difficult and demanding way of life but who must also look after their family and be able to lead a decent life. Above all, the public forgets that our institutions force them to shoulder the much heavier responsibility of having to vote for themselves the salary they will be paid. It may look like a marvellous freedom, but in fact it is a thankless task which no one other than parliamentarians can do in their stead. The last time the salaries and allowances of members of Parliament were examined was in 1974. And if I may make a short review, Mr. Speaker, it will be readily understood why a salary increase has now become urgent and absolutely necessary.

In 1974, members of Parliament wanted to raise their salary because they considered that they were paid less than the amount to which they might have been entitled. A group of members from both sides of the House was then formed to

examine the subject and make recommendations. After a serious study, that committee came to the conclusion that the salaries of parliamentarians ought to be 50 per cent higher than what they were on July 8, 1974. The committee also recommended a certain adjustment formula applicable on an annual basis. Then there was a debate in this House and, since those recommendations had been made by members of Parliament who happened to be directly concerned with the issue, after a rather lengthy debate it was finally concluded that there had to be a still deeper cut so that parliamentarians ended up with roughly 30 per cent instead of the 50 per cent hike which had been deemed to be the acceptable minimum.

Mr. Speaker, we are caught in a sort of vicious circle. Every time the issue of higher salaries for members of Parliament comes up, we always want, because of the delicate situation I have just mentioned, that parliamentarians themselves introduce the appropriate legislation to be able to catch up so that we will not have to seek substantial raises in the future. However, since we are always ill at ease to endorse the full recommendations made to us by commissions of members of Parliament, we never did manage to catch up so as to get the minimum recommended by those study groups. On the contrary, we always drop lower and thus aggravate the problem and make it even more difficult a few years later to make the adjustments which by then have become more than necessary. That is what happened once again in 1975 when finally, after a long debate, we reached a compromise so that the increase was only about 30 per cent, not the 50 per cent which had been recommended, and there has been no increase since.

I would add also that this 30 per cent adjustment, which was decided on by way of compromise, was to be equivalent to the industrial composite up to a maximum of 7 per cent. Now we all know that 7 per cent was substantially less than the actual increase in the cost of living and in the industrial composite. Since 1975, members have only received 30 or 33 per cent of what was then considered a basic minimum. Their allowance was not indexed but was adjusted to a rate which was out of line with reality, that is a maximum of 7 per cent; not only that, but for two years, under the Anti-Inflation Board, there was absolutely no yearly adjustment. So in real terms, since the 1975 increase which was retroactive to July 8, 1974, members received only a 30 per cent increase compared to the 50 per cent which was recommended, and an average year adjustment of 4.4 per cent.

Mr. Speaker, these are the facts which must objectively and honestly be made public and understood by those who might be tempted to criticize members on both sides of the House for considering after six years, or rather six and a half years, a reasonable and decent salary adjustment. What happened also, and I think it is appropriate to mention this, is that in 1975, when a compromise was reached to limit ourselves to one third or 30 per cent and 7 per cent, which actually became 4.4 per cent because of the two lost years which I mentioned, was that a section, Section 34(7) I believe, was added to the act so that in the future members would not be put in the awkward position of using their own recommendations as a basis. The act will include a provision so that the government of the day will refer the issue of parliamentarians' salaries to an independent commission; that in fact was what made members accept the compromise despite the fact that they found the 30 per cent increase unsatisfactory and the 7 per cent yearly adjustment laughable. But members bought this deal in 1975 because they believed that four or five years down the road, after the next election, there would be an independent commission established under the statutes of Canada, which would review the issue of parliamentary salaries and report to the government within six months after its appointment, and the commission itself was to be established two months after the election.

The members took that for granted and that is in fact what happened. There was a provision included in the legislation and the facts show that after the 1979 election, under the act, under this statutory obligation, a commission was established, the Hales Commission. The commission did report within six months; however, when it did report, another election had taken place. We all know that there were two closely held elections. Therefore, the government, under a statutory obligation, set up another independent commission, the McIsaac-Balcer Commission, to review the salaries paid to parliamentarians, in the light of the Hales report which was produced in due time but which could not be implemented because of these two successive elections. The important thing to note now, as I am speaking to you today, is that the report of this independent commission established under the statutes of the land has been produced and tabled by the government. I had the opportunity to table that report in December last, and it is precisely that kind of report of an independent commission analysing responsibly and objectively, fair-mindedly and without any conflict of interests, the conditions of members compared to other sectors of economic activity in Canada. It is precisely on that kind of report that the legislation now under consideration is based.

● (1530)

[*English*]

In fact, Mr. Speaker, as I said, the last major increase in compensation for MPs and senators was made under an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, passed in May, 1975, retroactive to July 8, 1974. This act introduced an annual adjustment formula based on the industrial composite, but limited to a maximum of 7 per cent.

The 1975 amendment added Section 34(7) to the Senate and House of Commons Act. This subsection stipulates that within two months after the date fixed for return of the writs at each general election, the governor in council shall appoint commissioners to inquire into the adequacy of the annual variations of sessional allowances payable to MPs and sena-

tors, and to report thereon to the governor in council, with such recommendations as they consider appropriate, within six months after the time of their appointment.

In August, 1979, Mr. Speaker, the government appointed Mr. Hales a commissioner under Section 34(7). His report was tabled in Parliament April 23, 1980. No substantive action was taken by the government on this report as another commission had to be set up because of the last election. On May 9, 1980 under Section 34(7) the governor in council set up a commission composed of Dr. J. Clifford McIsaac as chairman, and the Hon. Leon Balcer. The new commission took Mr. Hales' report into account, and its report was tabled in Parliament on December 2, 1980.

On April 30, 1980, the subcommittee on matters pertaining to members, staff, staff allowances, constituency offices and members' pensions, salaries and allowances recommended that severance pay be given to a member of Parliament who is not re-elected and that the MPs pension plan be modified. The McIsaac-Balcer report deals with the whole subject and some aspects of it are excellent. It is based on logical and specific arguments, and it draws on extensive and pertinent information to support its recommendations. Most important, it is the first time in history that we can base such legislation on a report made by an independent commission based on the statutes of the land.

[*Translation*]

Mr. Speaker, I said that the purpose of the bill is to increase the salaries of parliamentarians, but allow me to be more specific. It would be misleading to focus our discussion on a mere percentage increase. Indeed, the thing is to set the salaries of parliamentarians and to figure out the compensation to which they are entitled. The Canadian people want to be represented and governed by the most consistent and devoted people. They do not want politics to be the privilege of those of independent means and they want above all that those who make decisions affecting our collective future to remain financially independent. The sessional allowance, Mr. Speaker, because the legislation carefully refrains from referring to salaries, is designed to allow the member to live decently but not in luxury, so that he may devote himself to state matters. The member gives up his private life. He has often to keep two houses between which he travels most of the year. No one surely goes into politics to become rich, but no one should ruin himself either in the process. Mr. Speaker, I was pleased to note yesterday the comments made by leaders in their respective sectors in Canada. They are not parliamentarians and had nothing to say about the advisability of legislation designed to increase the salaries of parliamentarians.

I was pleased to see that union leaders favored such an increase, and made very interesting comments in support of the case of hon. members who have not had any salary increase for six years and a half and who have only received a yearly adjustment of 4.4 percent for seven years. They recognized that was a case of glaring injustice and that there was a danger that hon. members or people in general would take no further interest in public life, and that we might end up by having here only people who are very well-off, excluding those who have to leave their businesses or professions behind, who have a low income, because parliamentary life is too exacting and the salary is inadequate. Let me briefly read the comments of three of those people, quoting from an article which appeared yesterday on page 8 of *The Gazette* under the title:

[*English*]

Canada's MPs need a raise, panel agrees.

The first one who was asked about this is Mr. Dennis McDermott, the president of the Canadian Labour Congress. He said:

There are a lot of talented people out there who are not individually wealthy and who are not professionals and who are probably not running because they cannot afford to. A raise might attract them.

It is a very demanding job. And what you have now is the spectacle of some independently rich people treating it as some sort of game.

Louis Laberge, a well known person in Quebec, head of the powerful Quebec Federation of Labour, in the same article of yesterday's *Gazette* is quoted as saying about the need for a raise for MPs:

I have lived through quite a few governments—and I intend to keep doing so—I'm more useful to governments and my members where I am—but if you want people who know what they are talking about and who will devote their time then you've got to pay them.

The timing—there's never a proper time. They should do it now.

There are ten people quoted, but I will only quote one more. As opposed to the union sector, I will deal with the small business sector. Businessman John Bulloch, president of the Canadian Federation of Independent Business, is quoted as saying:

But their whole job is a social disaster—late hours, travel, unfair demands. Their personal life is a nightmare—I would give them more, of course—they should get an extra $20,000 in harassment pay.

Well, Mr. Speaker, I was happy to see that at last leaders of opinion in this country have realized and support the need for a decent raise for members of Parliament.

● (1540)

As I was saying, our salaries have been increased by only 30 per cent when they should have been increased by 50 per cent over the last seven years to catch up. We have received an average annual adjustment of 4.4 per cent in the last seven years; no worker in the country has suffered that treatment. This is why I can understand that Mr. McDermott, Mr. Laberge and Mr. Bulloch speak so loudly in our favour.

[*Translation*]

The McIsaac-Balcer report, Mr. Speaker, recommended a minimum of $45,000 a year for each hon. member in recognition of the demands of his duties, the very long working hours and the necessity to be both in Ottawa to discuss the problems of Canada, and in his riding to listen to his constituents' concerns. The government has very seriously and for a long time considered the recommendations in the report. The increases in the bill could come into effect from July 1, 1980.

As a matter of fact, the McIsaac-Balcer report considered the salaries as of January 1, 1980, and it would be unfair if the delays which were necessary to draft that bill were to postpone the implementation of these legitimate recommendations.

Mr. Speaker, the government, the majority of members on this side of the House, most members of the Progressive Conservative Party and most members of the NDP to-day recommend that we take only two thirds of the increases suggested in the McIsaac-Balcer report, even though, in the last seven years, parliamentarians have received much lower salary increases than those received by many of their constituents, and even though they have had only a ridiculous average annual adjustment of 4.4 per cent. Mr. Speaker, I have here a chart which shows what has been the salary of parliamentarians in the last ten years, from 1971 to 1981, in relation to the consumer price index, the composite industrial index and the manufacturing sector. It is important that people know to what extent those who govern this country, those who try to improve the situation in this country, those who aim only at improving the welfare of their fellow citizens, have lacked in self-indulgence and to what extent what they have obtained in the last few years has been less than what ordinary citizens have received on the average.

Mr. Speaker, if we compare the salary increases for members of Parliament in the last ten years to the consumer price index, we note a difference of 40 per cent. Over ten years, we have received 40 per cent less than the consumer price index increase in Canada. I know of no worker in my constituency, and there is probably none in Canada, who has received wage increases 40 per cent lower than the increase in the consumer price index. Yet this is the case of Canadian parliamentarians, and I am speaking about federal parliamentarians, Mr. Speaker, not of those of Ontario, British Columbia or Quebec, who, as we know, have different salaries which are in certain cases much higher than ours.

If we compare the salary increases of parliamentarians since 1971, that is for the last ten years, to the composite industrial index, the difference is no longer 40 per cent, but rather 55 per cent. This means that organized workers have on the average, over the last ten years received 55 per cent more in increases than we have. If we compare our salary—and this is important—to industrial wages in Canada, the difference is 75 per cent. This is completely ridiculous; it is outrageous! And I could add that the difference between our own increases and those of postal workers, for instance, for whom I have the figures here, is even worse, as much as 85 per cent. Over the last ten years, postal workers' salary increases have been 85 per cent higher than parliamentarians.

What we are proposing today is that we accept two thirds of the increase recommended in our own conciliation report, because we, members of Parliament, do not have the privilege to negotiate a collective agreement every year. We are subject to an act which provides for a review of our salaries by an independent commission every four or five years. However, this is the first time in our history that an independent commission presents a report as required under the act, and we are not even accepting 100 per cent of what is recommended in this report, in what might be called a conciliation report. We are accepting only two thirds. I challenge any worker in Canada to accept only two thirds of the increase recommended in a conciliation report. This has never happened in the past, and we do so today in spite of the fact that we are now 40 per cent behind the increase in the cost of living index, 55 per cent behind the composite industrial index, 75 per cent behind the manufacturing sector and 85 per cent behind postal workers' salary increases. Then again, only two thirds of the conciliation report is reflected in the bill before us today.

Mr. Speaker, if I get worked up at this point, it is because when I had to study that report, I understood why Messrs. McIsaac and Balcer were offended by the present. When they made comparisons with workers in other sectors, with industrial workers, with workers in the manufacturing sector, when they analysed the cost of living, when they considered the salaries paid in the public service, I understood why many people in this country do not respect the members of Parliament. We should start by setting an example and respecting ourselves. I feel that what is proposed in this report is a decent minimum and once again, it is thanks to the good faith and the good will of members of the three parties in this House that we agreed to introduce this bill that will be voted on tonight at 9:45. Incidentally, Mr. Speaker, I have no hesitation in saying that this is indeed so and that we have agreed to say publicly that it is as a result of an agreement among the three parties that we proceed in this manner. It is an agreement made not only with the Progressive Conservatives but also with the New Democrats.

Petitions have been signed by a majority of members from each party, a very substantial majority of each party, on the issue of pensions. A petition has been signed by a majority of Liberal and Progressive Conservative members on the salary issue, and the New Democratic Party assured us that a majority of their members support all the provisions of this bill, including those on salaries. We have their assurance that a majority of their members will vote in favour of this bill tonight, and these were the conditions under which we have decided and agreed to introduce this bill that I am now discussing. So let it be quite clear that this is not a unilateral move on the part of the government. The need was so obvious, the injustice so blatant that for the first time, I think, in a spontaneous manner, we were able to win a substantial majority in each caucus to restore some order and bring to a decent minimum the salaries of parliamentarians. I am grateful to the two opposition House leaders, my colleague for Nepean-Carleton (Mr. Baker) and my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) who both spoke in good faith for their respective caucus and negotiated the agreement which will enable Parliament to implement two

thirds of the recommendations on salaries contained in the McIsaac-Balcer report.

● (1550)

[*English*]

I wish to congratulate hon. members on both sides in the three parties who, after long debate in their respective parties, including ours, have finally come to an agreement, an agreement put on petition and an agreement made by word given, that this legislation could be dealt with today, and the way it will be dealt with, and that a majority in each caucus will be here tonight to vote in favour of legislation which, in fact, will give to the members of Parliament a proportion of two-thirds of the recommendations made by the McIsaac-Balcer report.

[*Translation*]

No hon. member would want the House each year to add to its already heavy work schedule with the consideration of Senate and Commons salaries. This is why the act already provides for a yearly adjustment formula. This fills the vacuum caused by the absence of any partner with whom to negotiate salary adjustments. That is not a hard-and-fast formula; its value and efficiency are reviewed after each general election. As I said, following the next election the government will be required to establish a new committee that will start afresh looking at this question of members' salaries.

[*English*]

Today we suggest that we adopt, as I have just mentioned, two-thirds of the indemnity suggested by the McIsaac-Balcer report. We all know that the report recommends increasing the indemnity payable to members of Parliament to at least $45,000. Recognizing the impact of this sudden increase of $14,400, or 47 per cent, based on the indemnity payable to members on January 1, 1980, which was $30,600, it recommends dividing the increase into four annual increments, to be payable as follows: $3,600 on July 1, 1980; $3,600 on July 1, 1981, 1982 and 1983.

In addition to these increases, or to a single increase of $14,400, the report recommends for 1981 and the years to come an adjustment formula established by Pay Research Bureau, abolishing the 7 per cent ceiling currently imposed under the annual indemnity adjustment formula provided in the act.

The increase in the indemnity to $45,000, which will be two-thirds of that increase, is based on two arguments: one, the relative loss members have suffered since 1974, if one compares the increases in their remuneration with the Consumer Price Index and the average increase in salaries of managers in other sectors of the economy. I have already spoken of this earlier. Two, an attempt to bring the indemnity for members of Parliament into line with the salaries of managers and other professionals in Canada, including public servants.

The statistics speak for themselves. If the indemnity of members of Parliament had followed the trend of the consumer price index between 1974 and 1980, it would have exceeded $40,300 by 1980. Without the 7 per cent maximum for the annual adjustment increase based on the industrial composite, it would have been higher than $42,700 by 1980. Finally, an adjustment formula based on PRB studies, as recommended by the report, would have raised the indemnity to over $38,000 by 1980. It should be remembered that in 1980 the indemnity was $30,600 following the 1974 increase and annual adjustment under the act, and as a result of the government's 1976 wage controls.

The comparative argument is also very strong. In the report, for the first time a detailed attempt has been made to situate the work of a member of Parliament in relation to other sectors of activity in Canadian society. The commissioners have attempted to describe the work of a member of Parliament by studying the various factors, some of which—level of contact, knowledge and the managerial factor—are common to all studies of this type.

[*Translation*]

Mr. Speaker, the McIsaac-Balcer report recommended, as I just said, that the yearly adjustment of Senate and Commons salaries should be based on a complex process of comparison and assessment of average increases in a number of areas of the economy. Instead of resorting to such an approach, which would be quite involved and open to various interpretations, this legislation proposes to improve the existing formula. The yearly adjustment would be 1 per cent less than the consumer price index or the composite index of economic activities, whichever would be the lower. This would tend to ensure a more normal adjustment of parliamentary salaries, without overloading the agenda of the House.

In order to eliminate an unfortunate aspect of the pension provisions for members of Parliament, who are not entitled to a retirement allowance unless they have been sitting for six years in the House of Commons, and to make sure that defeated members would not be forced to fall back resourceless to the occupation which they had to leave in order to serve the country as a member, the McIsaac-Balcer report suggested that a defeated member should be paid a withdrawal allowance. The report specified that a similar allowance, at a smaller rate, however, should also be paid to defeated members entitled to retirement benefits. This legislation moves to grant a withdrawal allowance along the lines of the McIsaac-Balcer report, but only to those members who were not entitled to retirement benefits at the time of their forced departure. Such an allowance would also be payable to those who must retire from politics because of ill health, at a rate equivalent to half the taxable gains to which the hon. member was entitled.

Mr. Speaker, this bill also proposes to amend certain provisions of the retirement plan for members of Parliament. Contributions from members would be increased from 7½ per cent to 10 per cent. Since it seldom occurs that a member nowadays can sit here for 25 years or more, and therefore enjoy the maximum allowance, it is important that the qualifying period be reduced to a realistic duration, namely 15 years. This legislation also provides for the payment of supplementary

retirement allowances to parliamentarians receiving a salary for extra responsibilities.

As far as the retirement pension allowance or pension is concerned, clearly no comparison can be made with pensions paid in the private sector. Such a comparison cannot hold, for the simple reason that in order to serve in this House, the overwhelming majority of members have to jeopardize, and very often indeed cut themselves off from their profession, business or other occupation. This is a unique feature of parliamentary work, an exclusive condition that is inherent to the nature of our functions. As a member of Parliament I can give an example picked out of many. I am talking about a young MP who had just set up a legal office in his or her home town, hired staff, established social contacts, gotten involved in his community, cared for people, went into debt to start his business and build up his practice, kept up to date on the law and is aware of every change in the existing laws in order to give good service to his clients and who suddenly, because he has been a success for ten years as a lawyer or for that matter as a doctor, engineer, notary, or member of any other profession, and has built a reputation for himself through hard work and made many friends, is asked to serve in the national or parliamentary legislative assembly to take care of the interests of the public instead of just his own patients or clients. He then has to make a big sacrifice and come to Ottawa, only to find out that as a member of Parliament he has not only to take good care of his riding but also to live in Ottawa, to pass new laws, sit on committees and in the House of Commons, work as a legislator and meet with lobby groups and try to have the legislation reflect the popular will. It is a full-time job. In order to do this, he has to find someone to look after his business or office, but he is still requested to run.

Yet we all have generously accepted this call to serve our country. A number of us in so doing suffer a great financial loss. As I was saying a moment ago, nobody comes here expecting to get rich, but we do not want to get broke either if, and after serving five, six, seven, eight, ten or fifteen years, the hazards of politics cause us to be defeated or if our health gives in because our obligations as a public man or woman are so taxing that we are no longer able to travel regularly between Ottawa and our riding to fulfil our responsibilities ably and conscientiously. If at that stage we are forced out of public life because of ill health or election defeat, we find ourselves with nothing to fall back on.

• (1600)

I was giving the example of a professional. He no longer had an office because he had to sell it, then he had to pay tax on it because he could not incorporate. His loss was substantial. Now he has to start from scratch after an absence of 8, 10, 15 or 20 years. He has to begin anew, to get new clients, to update his knowledge, whether it be in law, medicine, or engineering or whatever, and this is not the same situation as those in private enterprise experience when they lose a job in a community, they look for another one for a few months to finally get one in the same community. They can do it much more easily that we can ourselves.

Therefore it is important to mention publicly those particularities of parliamentary life. This is true for professionals, tradesmen, for those in the field of education and it is true also for former public servants, because as soon as you get involved in politics, it is not easy to try to get back into the Public Service. More often than not, it is not an asset, it is a liability. That should not be the case but it is. Some will argue that the sacrifice men and women make to come here was their choice. However, you will agree also that if you want to serve your country, we must have the opportunity to do so not for the purpose of making money, but not to go broke either. This opportunity should not be the privilege of the rich only but should be given to the little man, either lawyer, notary, tradesman, teacher, to all those with a low or medium income, those with a very average social status.

This is the justification, Mr. Speaker, for the difference in the pension plan for members of Parliament as opposed to the private sector. We talk about being eligible to receive 75 per cent of the salary after 15 years instead of 25. I know they have such a plan in Quebec, and I am even told that it is after eight years or at any rate it is less than 15 years.

An hon. Member: It is eight years.

Mr. Pinard: It is eight years. I am told it is 15 years in other legislatures. That seems to be the norm in legislatures where one serves one's country as an elected representative. The reason for that is that the members of Parliament are in a very special situation in that if defeated, or if they retire from public life for health or some other reason, it is extremely difficult for them to maintain the standard of living they enjoyed at the time of their retirement from politics 10 or 15 years earlier when they worked in the private sector. And I think that nobody wants such injustice in Canada. Furthermore, I am convinced that if we did not bring in these amendments to entitle members of Parliament to a pension after 15 years, we would deter responsible people from going into politics and serving in this place.

Many people, it happens at each election, refuse to leave their business or to quit their job to enter public life, not only because the salary is extremely low compared to what it should be, according to reports made to us. That is not the main reason, but they refuse because they are afraid, and rightly so, of the insecurity in store for them. Regardless of family and health problems, strictly from a personal point of view, anyone who decides to enter public life and makes a decision which brings him insecurity and uncertainty all the time he is in politics very often for the rest of his life. Because, as I said earlier, none of us enjoys job security, none of us can be sure of being re-elected, none of us can be assured that for 20, 25 years, he will be able to set aside enough money to provide

himself with a decent pension fund on which to live if he were handicapped or unable to return to his previous job if he does not have the money required.

Mr. Speaker, in closing on this subject let me add that a pension is not exactly an outright gift because members of Parliament will be paying for theirs. They will contribute 10 per cent of their salary each year towards it. For purposes of clarification and for the benefit of those who write about us and those who would be tempted to depreciate what we are doing, I would say that on the average a member of Parliament will serve for less than six years, and to be eligible for pension, one has to serve a minimum of six years. Therefore theoretically, nobody is entitled to the pension.

It is a fact that a rare few sit for twenty five years, and that a few more, not too many, sit for fifteen years. Not many sit for ten years, but the greatest number, the vast majority, sit less than ten years. And as I have just mentioned, those who serve an average length of time do not qualify for a pension; the average stay in Parliament is less than six years. Therefore, from the point of view of the cost to the Treasury, considering the 10 per cent contribution that we are going to make, considering what we will pay and the number of those who will in fact qualify, judging from past experience the cost to the government, to the taxpayer, will be negligible, practically nil. This is something which should be emphasized and publicized because this is not a gift that members of Parliament are offering themselves, Mr. Speaker, it is the very basic minimum a person will accept to enter public life and to serve conscientiously and without anxiety his constituents as fairly and as objectively as possible, without fear of finding himself one day in the poor house and in poor health and without any decent pension. Therefore this is the main justification for our pension system. This proposed pension plan is already applied elsewhere, sometimes much more generously, but in fact very few members will benefit from it.

I might tell you that there are now in Canada about 133, take or leave two or three, persons receiving a parliamentary pension, the overwhelming majority of them receiving a pension of less that $5,000 a year. The highest pension now received by a former parliamentarian amounts to about $17,000. I am referring to federal politicians. Some would argue that on the provincial level some former MLAs get more, but I am referring to the federal level. The highest pension now being paid in Canada amounts to about $17,000. There are only about 133 persons on pension, and most of them receive less than $5,000 a year. It is therefore an inequity, a blatant injustice, and I am glad to see that the majority of NDP members, the majority of Conservative members and the majority of Liberal members have accepted once and for all to lay aside any partisanship and endorse with such spontaneity a piece of legislation long overdue which was recommended in an independent report published and tabled by myself in the House last December. In conclusion, I would say that a bill of this nature, a bill that concerns each and every parliamentarian, should not be drafted according to ordinary rules. It is essential, under similar circumstances, that members be consulted, which was done, as I pointed out, and it is essential too that their views be taken into consideration; this too was done as well. Again, I appreciate the sustained support of my colleagues, the House leaders, in the past several weeks, I should say the past several months, to ensure that all members were consulted. As a result of our joint efforts, a large majority of members of all parties have endorsed the provisions of this bill and I hope they will come out openly and frankly for it this evening.

● (1610)

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to begin by saying how much I appreciate the review made by the President of the Privy Council and the government House leader (Mr. Pinard) of the sections and the principles of the bill. I will be speaking with respect to some parts of the bill, but not to the same extent in view of the government House leader's statement. He has saved me the trouble of quoting various opinions from the article to which he referred. These were opinions on the level of members' salaries and allowances expressed by labour leaders, business leaders, professional people and leaders. As a parliamentarian I read the article with a sense of gratefulness that there was some recognition of our work outside of this House, which is important.

I am pleased to speak on behalf of my party in favour of an increase in the indemnity for members of Parliament. I believe the increase to be fair and reasonable in the bill presented by the President of the Privy Council but I want to put it in this context, that no member in this House asks for anything more on his behalf than what the job is worth. We all ask on behalf of this institution the salary level needed to continue to attract and keep people with the skills and ideas required to make this institution function as it should. I doubt whether there is any other group of Canadians who make as many sacrifices to occupy a job than those who offer themselves as candidates to the federal House of Commons.

I want to defend as energetically as I can the pay bill that is before us, and deal with the arguments put forward by those who say that whatever MPs are paid is too much.

Most of us are here because we want to be here. I say most because a few of my colleagues representing all sides of the House are heard to mutter from time to time after a hard day that they must have been crazy to run in the first place. But that goes with the territory and usually the next morning they feel a little better. MPs go to a lot of trouble to build a political reputation which leads to nomination and then a campaign fight which brings them here. We all like politics. We followed politics before becoming full-time politicians.

I wonder how many of us would be here if we had come across a job description for an MP in the career section of a

national newspaper. I suggest that the description would be intriguing but not very attractive. It might read this way:

Wanted: Person to act as member of Parliament. This exciting, management, professional, scientific, accounting, public service, public relations, clerical position offers endless challenge. You will represent 75,000 to 100,000 or more Canadians who have the right to phone you up at any hour of the day or night, criticize your performance on the job, fairly or unfairly, and write letters asking that you intervene with the Prime Minister or any minister on their behalf. You will be flown every week to Ottawa, which is a lovely city, except in July. While you are there you will put in a 70-hour week talking, arguing, reading and, wondering where it is getting you or anyone else. You will attend meetings from 8:30 in the morning to 11:30 at night. When you return to your riding you will be able to say hello to your spouse, if you are married, and to your children, if you have any, before departing to your constituency office, riding functions and more meetings. Fully rested, you will fly out Sunday night for another week in Ottawa. If you work hard, take chances, stay out of trouble and get lucky, you might end up as a cabinet minister, or even worse. Pay: $32,700 per annum, falling further behind inflation every year. The successful candidate must have extensive personal savings or be single.

Most people reading that ad might consider $32,700 a little low for the skills demanded and the workload expected.

But I want to say that the job of a member of Parliament can be challenging. Being an MP can be worthwhile, which is why most of us came here. The job can be absorbing, which is why most of us stay. In the long run it can be exhausting, discouraging and fruitless, which is why many leave. For the last two decades it has been what it was not previously, and that is a full-time occupation.

For the last four or five years, MPs have been badly underpaid. For many members of this House the frustrations of parliamentary life have been compounded by the rising anxiety over family finances. That is a matter which this House must face.

The House of Commons does not exist to offer monetary rewards for those who may come here on the make. Equally, it should not penalize those who come to the House at the peak of their careers when their energy and stamina are at their greatest. The salary level should, in fact, be a neutral factor. It should not be high enough to constitute the principal attraction to the job, but equally not so low that it is the main deterrent against running for Parliament or staying here. The job should be accessible to any Canadian who feels he has something to offer, whether married or single, old or young, rich or poor, with or without children, male or female. As is often said, this is supposed to be a representative institution and a low salary level should not act as an unintended social filter to those who would like to come here. That is the purpose, as I see it, of this bill.

The important question that we and the country have to face is quite simply, how much is the job worth? McIsaac and Balcer based their proposal for a salary level of $45,000 per year on a comparison of MPs' jobs with others requiring similar skills. I do not think there are others demanding similar hours. McIsaac and Balcer looked principally at comparable bureaucratic salary levels, which are substantially below those of the private sector since, in a bureaucracy, it is difficult to measure performance. That difficulty applies to ourselves as well as MPs.

Having made that comparison, the McIsaac and Balcer report called for a minimum salary of $45,000 per annum to be reached in four increments of $3,600, with an annual adjustment based on the findings of the Pay Research Bureau on the average salary changes for supervisory, managerial and professional employees.

• (1620)

Most of us in this House thought that that was a fair approach. We hoped it would solve both the immediate and the long-range problems. We all wish that we had a boss we could go to on an individual basis and argue the merits of our own case, as we would if we were in the private sector or if we belonged to a union or employee association where we could go as a group. We would rather have almost any other arrangement than the one we have now.

We support the adoption of a fair salary level and a formula to more or less maintain it. I will come to the "more or less" in a moment.

What we have in the bill before us is substantially less than the minimum recomended by McIsaac and Balcer. However, we can accept the importance of a package which can be accepted by everyone as representing a substantial majority of the three parties in this House. Instead of $45,000, it will be $40,200 effective July 1, 1980 with the first cost of living increase coming in January 1, 1981. As a yearly increased index, instead of the Pay Research Bureau reports as recommended by McIsaac-Balcer, it will be the lesser of the consumer price index or industrial composite, minus 1 per cent of that lesser figure. The expense allowance will remain as it is now, instead of being divided into an expense allowance and housing allowance, as recommended by McIsaac-Balcer.

I know that certain segments of the country of the country will soon emerge—I hope they won't but they will—in full cry against this reduced figure, even though it is well below what many of us in the House could make elsewhere and well below that of most of the people we deal with daily in the Ottawa bureaucracy and as representatives of the private sector. Nevertheless, the suggestions made in this bill go some way to correcting the imbalance. On behalf of my party, we accept it.

I believe the new salary level is within the range of what the job is worth, if perhaps at the low end of the scale. I also know that a great many arguments are made against any raises at all which have nothing to do with a fair salary level. I wish to deal with them in the next few moments because I do not believe that those arguments which are raised are as unanswerable as their proponents would have everyone believe.

One argument which is more often alluded to than openly avowed is the one I call "for the honour" argument. This line of reasoning suggests there should be a measure of sacrifice in the job of being a member of Parliament and that it is somehow unworthy to ask for a raise in pay in the same manner as anyone else would. The suggestion is that an MP lacks patriotism in expressing dissatisfaction with the pay that exists.

I believe that this argument mistakes the nature of the sacrifice an MP already makes. It ignores the changes in the conditions of employment over the past two decades, and in the bargain it argues that a family can be fed with honour. Even if an MP's pay were doubled, it could be argued effectively that an MP puts up with long hours, tedious travel and family separation which would drive people in the private sector either to premature ulcers or premature retirement. There are very real sacrifices undertaken willingly in the line of public duty. If anything, they are more tangible than the monetary penalties which can be staved off by dipping into savings, if one has then, or by regarding the position of an MP as a temporary venture.

In previous eras, going back to confederation, the job of the MP was perhaps more prestigious than it is now. It was undertaken mostly by people who, when they came to the House, where older than the member today. They were already leaders in their communities before coming here. Many had substantial wealth and did not need a salary. For those not in the fortunate position, the sacrifice was marginal since Parliament sat only a few months, often at a time when there was little to be done on the farm or when the business or professional office could be run by associates for a short period of time. The sacrifice, such as it was, was made by those who had a great deal to sacrifice.

Today parliamentary business is a full-time occupation. All of us frown on those who try to take the money as a parliamentarian and then go out and attempt to make more money somewhere else. We look upon this as a full-time occupation. The reason we frown on it is because that kind of member, and there are a few, is not here when he is needed. He cannot be counted on. We here and the public generally have to come to regard this job, quite rightly, as a full-time occupation.

Those in this House who do not need their parliamentary salary are in a minority. Needless to say, those people are not asking for this raise except in recognition of the position of their colleagues. Increasingly, MPs who come here are exactly the type that the public clamours for: young, energetic people, representatives of the bulk of the population, both men and women.

More and more of our MPs are young or middle-aged. More and more have growing families. They do not expect the people of Canada to give them the kind of incomes they could have expected had they continued in private life. They do ask people to understand that a young family cannot be raised on the honour of having a parent as an MP. The expense and the natural strain of raising a family are increased, not diminished, by constant separation, a duplication of residences and the stress of political life.

Another frequent argument against a raise for MPs is that they should set an example in the fight against inflation. Aside from the point I just made, that MPs increasingly are subject to the same or more serious pressures as anyone else, I would argue that parliamentarians have already made significant sacrifices in the inflationary fight. Even with this raise and the yearly increases, as was put by the President of the Privy Council (Mr. Pinard), we have not seen the last debate in this House dealing with the way in which MPs' pay has fallen behind. I ask my friends to mark those words.

In 1975 the salary level was made retroactive to 1974 and set at $24,000. It was to be increased in each year, beginning January 1, 1976, by the amount of increase in the industrial composite index or 7 per cent, whichever was the lesser. The 1976 escalation was cancelled by this House so that the salary level was frozen at the same level for 1974, 1975 and 1976. How many groups in the economy can point to a total voluntary freeze for three years?

● (1630)

The 1976 freeze cost members of Parliament not only for that year but also for every successive year, since the base upon which escalation would take off thereafter was smaller for each subsequent escalation. The present salary is $32,700. If we had increased it by only 7 per cent each year—and neither the industrial composite index nor the consumer price index registered that low in that period of time—we would now be at $36,336.

Some people—and I suggest there are a number—accuse us of trying to keep up with inflation. If our salary had kept up with the consumer price index, it would now be approximately $40,000. If it had kept up with the industrial composite index, it would now be almost $43,000 and the expense allowance would be even higher. As McIsaac-Balcer showed, if it had kept its position relative to comparable professional or managerial jobs, it would be higher still. Throughout this period of escalation when the escalations were running behind, the job of the member of Parliament became more demanding, the hours longer and the sessions more dragged out, as this one is dragging out. Compared with any measure of inflation we lost ground in terms of salary every year. Both the cumulative total loss and the loss in salary position has been substantial. I have to ask myself a question: How many of those critics, however well-intentioned they may be, have made similar sacrifices over the past seven years.

The new salary level puts us roughly at where we would have been, but of course it does not take into account the accumulated loss on the escalation, the loss which has forced many members to dip into their savings and into other resources. The new formula refers to the lower of the consumer price index or the industrial composite minus 1 per cent. That is obviously a better arrangement from our point of view, but the 1 per cent will accumulate—this is what I meant earlier when I said "Mark my words"—and after 10 or 12 years this time, instead of seven, we will find that we have fallen seriously behind. How many other groups in the economy have accepted a wage package which locks them into a salary scale which guarantees now that in a decade they will be 10 per cent to 15 per cent behind then current salary levels?

But some say as an answer: "It is your own fault as a member of Parliament that inflation has risen and will rise so much. You promised to fix inflation, and you did not. You do not deserve a raise for failing." Let us leave aside in answering

that attack the fact that very few of us promised our constituents we could stop inflation. Let us leave aside the complex factors causing inflation and the myriad of cures which have been advanced for ending it. Let us just look at our system of government and the party system which animates it.

We are not elected as individuals to solve Canada's problems individually. As much as we all hope we are the ones to have to cure revealed to us, that is not our lot. We come in large part as party politicians supporting a party platform. Those opposite me now support an anti-inflation program put forward by the executive which consists of most of the ladies and gentlemen in the two front rows. They as a government have made their choices and, with luck, the people of Canada will hold them responsible as a government for the failure of their policies. When we are in office, we would be held responsible for our policies. That is how the system works. It is wrong in practice and ludicrous in theory to put members of Parliament individually on a commission basis and say, "Your pay is frozen until you cure inflation." Members of Parliament should be paid for the job they are constitutionally called upon to do, which is either to defend the government on the one hand, or to oppose it on the other and propose an alternative. That is our job.

Another line is to say that members of Parliament want a raise to attract better people. There must be an admission that they themselves leave a lot to be desired. I think we recognize the qualities of the people most responsible for making this Parliament run and we wish there were more of them. We know the demands put on people who finally reach the cabinet. Some of us have been there and we hope more people with the necessary qualities reach Parliament. To be honest, we all count ourselves as the sort of people we should be attracting. We all have our own nominees for colleagues who could be replaced for the benefit of this institution. That is not really the point any more. Parliament has been successful in interesting more and more qualified people in running, and the raise in pay and benefits which has paralleled the increase in demands made has been one of those factors. This does not apply simply to the increased number who have left the recognized professions such as medicine, law, business or teaching, but also to the larger number of non-professional people who have established themselves as strong leaders in their communities or strong leaders in their unions and who felt a parliamentary career was a logical next step. The real point is that once we get them here we must keep them—within the bounds, of course, of party competition.

It does us relatively little good if we get better and better people who spend less and less time here in the work of this Parliament. There are already enough non-salary incentives to leave, but a discussion of these belongs in a debate on parliamentary reform. It takes time to reach maximum effectiveness as a parliamentarian. As a Parliament and as a country we cannot afford to have most of our promising new recruits leave in disgust after one term of financial sacrifice or political frustration. We can do something about the former now and perhaps about the latter when my friend, the President of the Privy Council, brings in his reform package in the fall.

There is another argument, and the argument goes this way: Members knew what they were getting into, so why do they not just get on with it? That applies to both salaries and conditions. I really have to ask myself how many employees in this country would accept the argument that, because they wanted the job they were in and knew roughly what the salary and the conditions were, they have no right to ask for a change if a case can be made. If anyone suggested that to a union leader in this country, he would be subjected to a string of epithets of which "reactionary" would be the mildest. I doubt that many really did know what the job would entail, but that is another story.

We run as members of Parliament because we want to do things for our country, not because we tacitly accept that everything about the job is perfect. Certainly there will never be a shortage of candidates, but so what? It is just as important for the health of our democracy to ensure that the candidates are qualified and will try to earn the right to stay in the House as to ensure an unlimited supply.

We are told that it is not reasonable to count only our salary and that we should count our allowances as well. In fact, we are told, since the allowance is not taxed we should count it at more than its face value. Members who are struggling to make ends meet at just over $30,000 are finding sources outside quoting their salaries at figures such as $50,000. It is a specious figure and reflects poorly on those who use it.

Members of Parliament have a wide range of expenses, including the tax-free one, because they are needed to do the job. The most obvious expense is maintaining two homes, but to the cost of housing can be added the cost of family separation, the cost of having almost no leisure time for do-it-yourselfing, the ceaseless demands for donations, dinner tickets and the incidentals of constant travel and public appearances. Sure, some members may make a bit on the expense allowance. Lots of others, however, dip into their savings or investments to subsidize their position as an MP.

• (1640)

The allowance of $14,000—$14,400 as of today—is a compromise which has been traditionally supported by all parties. It is for expenses, and for the great majority of members of Parliament it is necessary for expenses. If an executive officer or an employee of the public service or any business was sent to Vancouver in the course of his work, his travel expenses would be paid. This job calls us from Vancouver and elsewhere to Ottawa.

A final argument holds that if we wish to use as an argument the salary we can make outside this House, we should work outside the House. Well, there are two replies to that argument. The one I have already made is the fact that we wish that a more realistic salary does not in any way diminish our sense of public duty in being here. It simply means that we are not monks or janissaries; rather we are ordinary men and women with ordinary requirements. Second,

no one is asking for the money he might have made elsewhere. A substantial number of members gave up high salaries from a sense of duty. They did not and do not expect to attain the same earning levels as they had before they became members of Parliament. They do not ask that the indemnity be lavish, merely that it not be derisory. This is the situation we are in if this bill is not passed.

There is only one valid argument, Mr. Speaker, in assessing the salary levels: What is fair for the job to be done? That is an argument put in this House of Commons, in the legislatures across the country, but it is more fairly and honestly put and recognized in every job occupation outside this place. What is fair for the job to be done? The political process can only be harmed if we try and take legislators and say they must be the whipping boys or must set an example beyond what is reasonable. All the arguments I have referred to sound impressive unless you stop to think about their implications. if followed through, the best people would be discouraged from coming to the House, and those here would seek ways to leave if we do not address the problem now.

In every occupation the salary level speaks for the employer in expressing the regard he has for his employees and the extent to which he values their services. It speaks to the question of what the job is worth in every occupation. A low salary, permanently held low, would serve to devalue this institution and we could not expect it to attract the people who should be here.

As MPs we are targets, but that does not mean we have to sit meekly in the face of some of the nonsense and hypocrisy that is from time to time hurled in our direction. I would have been happy to have had the opportunity to defend the salary proposals put forward in the McIsaac-Balcer report. The salary set there was a defensible and appropriate one, reached after great consideration by some people who know. Having said that, I have even less hesitation in speaking in support of the proposal of the government, which is considerably lower.

Now, before resuming my seat, Mr. Speaker, I would like to say a few words about the pension proposal in this bill. It would raise our contribution from 7 per cent to 10 per cent of salary, with an additional 1 per cent for later indexing, and another 1 per cent for a surviving spouse provision.

We support this provision for several reasons, including the assurances given us by the government about the finances of the fund. That assurance has been extremely important in our minds and in our decision to accept the proposals. There have been criticisms about the pension arrangements for MPs. However, I put in to the House that this new scheme is not a departure in principle from what has gone on before. It is a straightforward exchange of higher contributions for higher benefits. Under this scheme the maximum benefit level is reached after 15 years, when it is 75 per cent of the six best years. It should be noted this refers only to salaries. The allowances and so on do not enter into this consideration at all. I make that point so that we do not get the same distortion on that coupling as could occur if it were done with respect to pensions.

I think more people are familiar with the rationale for a pension scheme for members of Parliament. Many of the arguments against the pension are made against what might be called the "worst cases". Whenever an argument is made against the pension plan for MPs, it is always the worst case that could possibly be picked, ignoring the fact that for most members the provisions are reasonable and in fact the actual payment levels are really quite low.

Most MPs come into the House over the age of 35 or 40. A 15-year chunk out of their career at this point, with very little extra salary to contribute to an RRSP, means that the prime contributing years have been removed. Not many people could leave the House and re-enter the employment market at 50 or 55, and in the next decade or so not only re-establish themselves in an interrupted career, but make an adequate provision for 20 or more years of retirement. That is the reason the plan was conceived in the first place, and for the way it was conceived.

Similarly, someone who only meets the minimum qualification of six years and gets a small pension entitlement is not being pensioned for life but is simply receiving a proportionate contribution to their eventual retirement plan. You have only to look at the levels that are paid after six years of service as a member of Parliament. Perhaps when we reach the stage as a country of complete pension portability, none of this would be necessary. However, we have not yet reached that point.

There is an impression that former members are already receiving luscious pensions and I would like to repeat some of the figures mentioned in the McIsaac-Balcer report, which were in term taken from the annual report on the administration of the Members of Parliament Retiring Allowances Act for 1978-79. There were 218 MPs receiving pensions along with 34 surviving spouses and one dependant child. Of the MPs, one received between $21,000 and $21,999; one received between $20,000 and $20,999; and one received between $19,000 and $19,999. Altogether, 24 received more than $10,000 and 144 received less than $5,000 a year. That is not a picture of a pension scheme run wild. Given the assurances of the soundness of the increased deduction and benefit levels, I do not believe there should be any problem in the future. However, that is something this Parliament has a duty to watch, review and monitor constantly. The situation of MPs is different from others in the economy, and the pension plan for which they pay a high rate reflects that difference.

● (1650)

I believe this bill is supported by almost all hon. members of the House. It does not have this support because a theoretical figure has been plucked out of the air to be embraced and held to the bosoms of a group of rapacious members of Parliament. It is supported because members of Parliament know by their own day-to-day experience and that of their colleagues that the present pay level is far too low to meet the expenses encountered, to compensate for the skills which are required, and to encourage the interest in a parliamentary career needed

to maintain the effectiveness of this institution. This is why the bill is before us.

I want to close by saying that the overwhelming majority of my party and I support the proposals in this bill. For that reason we agreed earlier today to the order of the House which would allow this matter to be considered.

Some hon. Members: Hear, hear!

Mr. Collenette: Mr. Speaker, I rise on a point of order. As the House knows, there will be private members' hour at five o'clock; it is already scheduled. In order to allow the hon. member for Mission-Port Moody to complete his statement as official spokesman for the New Democratic Party, I am wondering whether there will be the consent of the House to allow him to finish his remarks into private members' hour and then we could start the full hour of private members' hour at the point the hon. member for Mission-Port Moody resumes his seat.

The Acting Speaker (Mr. Blaker): Hon. members have heard the proposal. Is there unanimous consent to hear the hon. member for Mission-Port Moody?

Some hon. Members: Agreed.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I rise on a point of order. I just want to make certain that there will be ample opportunity to proceed at some point in the proceedings with private members' hour in order to ensure that the projects I have in mind will be dealt with.

The Acting Speaker (Mr. Blaker): Perhaps the hon. member was entering the chamber somewhat late to hear all the remarks of the parliamentary secretary. Private members' hour has been assured.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, as the NDP representative on the Standing Committee on Management and Members' Services, it is my duty to present the position on this bill taken by my caucus. I am neither a hawk nor a dove on the pay issue, although by speaking first and in favour of the package I may be a pigeon, but at least I would like people to know that I am not a chicken.

Some hon. Members: Hear, hear!

Mr. Rose: I believe the position taken by my colleagues in the House of Commons and I is a responsible one. Like most other occupations, members of Parliament face the ravishes of inflation. Members of Parliament have children in schools and colleges. Members of Parliament have to renew mortgages at 20 per cent interest rates. They pay taxes too and purchase automobiles which today cost about as much as a house cost when I first bought a home. Some members require two homes because of the distance they live from Ottawa. If they are unlucky, this means two 20 per cent mortgages.

My party and I do not support the total package as presented in the Balcer-McIsaac report because we feel it was too rich a proposal in a number of ways. Balcer-McIsaac called for a $3,600 per year increase over four years. My party rejected this. Balcer-McIsaac called for a $500 accommodation allowance, but this was rejected as well on the ground that members of Parliament already enjoy a tax-free, non-accountable expense allowance. Therefore, we believe we should pay our rent out of what I would describe as this adequate tax-free portion.

While I am certain that we will not be thanked for it, either by some of my own colleagues, some members of the other parties or some members of the general public who think that any raise for MPs by any definition is too much, I believe it is a responsible act to scale down the recommendations of Balcer-McIsaac by one third or approximately $5,000 envisioned in the fourth year of their report and one third across the board along the same lines.

There will be some who claim that this is a bad time to have a pay hike, that this is a bad time to discuss a pay increase or the benefit package of members of Parliament. Of those who claim this I should like to ask: When is a good time? There are no good times; there are only bad times as far as some are concerned.

I was here in 1970 when salaries were readjusted and, except for one New Democratic Party member of Parliament, my party opposed the pay raise then. Again in 1974, which was the last time the salaries of members of Parliament were revised, my party, except for three of its members, again opposed the pay bill. It is in our tradition to oppose pay raises, especially if we consider them to be unreasonable.

Some of the newer members in all corners of the House should realize that if my party had been successful in blocking the pay hikes of 1970 and 1974, members would still be earning what they were earning when I came here in 1968. For those members who might not remember, it was the staggering sum of $12,000 taxable salary, supported by a $6,000 tax-free allowance.

Some people would argue that being a member of Parliament is a calling somewhat like the ministry and that we should all be prepared to accept the long hours, the travel, the weekends packed full of meetings and public appearances, the resulting family tensions to which others have referred and so forth, as part of our sacrifice for having the privilege of serving the people of Canada.

Members of my caucus do not accept the argument, however, that high pay is the single most important criterion for attracting so-called good men and women to Parliament. We know that there are hundreds of good men and women serving communities all across Canada who are not particularly highly paid, so we totally reject this "attract good men and women" argument. No one goes into politics to get rich, but it is equally true that members of Parliament are not poor compared with the rest of the country. Speaking for my party, we do not expect to earn what doctors earn, what top deputy ministers earn at $85,000 to $91,000 in government ministries, or even what hockey players earn at $100,000 per year on the average. But we think it is irresponsible to encourage MPs to take home a salary which is less by $5,000 than that of an

elementary school principal in my riding or roughly equivalent to that of an interior IWA tradesman in my province if we add a bit of overtime. This is not said to demean in any way either the elementary school principal or the tradesman. And surely the Prime Minister (Mr. Trudeau), whatever we might think of him, is worth at least somewhere near the financial reward earned by the average NHL hockey player.

Since 1974 members of Parliament have averaged a 4.4 per cent increase in their indemnities, while the consumer price index climbed 68 per cent by 1980 and the industrial composite jumped 78.2 per cent by the same year. Essentially the salary proposal before us does little more than catch up to where MPs were in 1974. That fact in itself makes the package worthy of serious consideration. Other people as disparate as John Bulloch of the Federation of Independent Business, former British Columbia Supreme Court judge J. V. Clyne and Dennis McDermott of the CLC all agree that members of Parliament need better salaries.

● (1700)

My friend, the hon. member for Kootenay West (Mr. Kristiansen), has figured out that this package is worth about 21 per cent over 11 years, plus COLA, if spoken and defined in union terms. No one, unless he has been elected to the House of Commons at least once, has any conception of the hourly demands placed upon members of Parliament. Absolutely invisible to members of the public is the time that MPs spend on such things as party policy decisions, the hours we spend on the committee work of various kinds, such as estimates, annual reports, task forces which sit in the summer, as the alternative energy one did last summer, and as the federal-provincial fiscal arrangements task force intends to sit this summer. No one knows the time it takes to study legislation before the House. Equally invisible is the preparation of speeches, the phone calls, the letters related to constituents' problems, or for that matter, the time spent on travel to and from our constituencies. We are busy people and, I think, effective people. In the main, I think it is time the public heard that statement in complimenting MPs once in a while.

If I may be permitted a brief or perhaps even a lengthy personal note, I represent a British Columbia constituency. I go home virtually every weekend. If any listener or viewer thinks flying across Canada and back once a week is a real treat, I would like to disabuse them of that misconception.

Some hon. Members: Hear, hear!

Mr. Rose: It takes at least an hour for me to get to the airport Friday evenings, and if my plane is not late, as it usually is, we leave for Vancouver at 7:05 p.m. The plane, if it gets to Vancouver, arrives at about 9:30 p.m. Vancouver time, but that is 12:30 a.m. Ottawa time. By the time I get to my home in Mission, after driving about 60 miles—I think that is about 100 kilometres—it is two hours later. By the time I get home, it is 2:30 a.m. for me, because I remain on Ottawa time. For me, that travel is tough. But for B.C. members, like my colleagues here and some from the other parties who do not live in the lower mainland, it is terrible. Consider for a moment the travel problems confronting the hon. member for Skeena (Mr. Fulton) or the hon. member for Yukon (Mr. Nielsen), or the Okanagan and Vancouver Island members.

An hon. Member: Try Newfoundland!

Mr. Rose: These individuals must catch local connecting flights later on that evening after they reach Vancouver or spend the night in Vancouver as a stopover before completing their journey or their trip home. These members like to get home and keep in touch with their constituents too, but the vast size of Canada makes that extremely difficult. The travel time and the expenditure of energy in such travel is immense, and I do not think very many people realize that.

Of course, there will be people who will say that if the work is so tough and the travel is so rough, why does one run in the first place? I think that is a reasonable question, and it is a good question. However, I think it begs the real question whether our salaries are falling behind the cost of living or not; and it also ignores the hours members of Parliament spend on travel, as well as time they spend on their jobs in Ottawa and their jobs in their constituencies, whether it is on weekends or in the summertime. There is seldom a weekend I do not attend some public function in my own riding.

So all in all, in discussing the matter with other MPs, we find that it is a rare week when most MPs do not work from perhaps 9 a.m. in the morning to 10 p.m. in the evening. If one multiplies that by about six days, the total amounts to roughly between 75 and 80 hours per week. That is the number of hours at straight time, say at $12 an hour. I am not talking about overtime, time and a half, or double time. Incidentally, an interior tradesman in the IWA in my province has just received an offer of $16.95 an hour. This is what a tradesman can receive. However, if one multiplies 75 or 80 hours by $12 per hour, one cannot get very far away from $1,000 a week. If one says $1,000 a week, one has to say that amounts to roughly $12,000 per year more than what we are asking for in this package.

Some of us might wonder again why someone like me would speak in favour of this legislation, given my traditions. Unfortunately, we seem over the years to have been saying two rather contradictory things. On the one hand, we have said that since we do not want Parliament to become the exclusive preserve of the privileged classes and the wealthy, we support decent salaries, pensions and benefits to enable even those of modest means to stand for public office without undue sacrifice to themselves or their families. On the other hand, our voting record indicates that we do not really believe this at all, and we have acted over the years to keep salaries relatively low. I think we have been responsible historically. The result of this action, nevertheless, has meant that at least some able people of all political persuasions have been discouraged from seeking public office because their personal financial responsibilities preclude them from standing for Parliament. I think that is a fact.

It is probably true that I personally, as an individual, would not be unduly damaged if there were no revision of our salaries, other than the benefits which would come about under the normal course of the 7 per cent. However, I believe that the position of the MP deserves to be recognized, and the position of the MP as related to salary paid to the office, cannot fall behind unduly. I have no children at home any more, personally. My obligations to my wife and family are not nearly as great as they once were. If Parliament granted no increase beyond the 7 per cent annual increase, I personally would not feel persecuted financially.

However, I remember with great clarity how things were in 1968 when I was first elected. My first term was in 1968-1969. I took home $12,000 taxable and $6,000 non-taxable. I was paying on a house in Coquitlam, where my wife remained. I had one child in junior high school. I had two others in two different universities, and I was so broke that I could afford no apartment. Never mind the accommodation allowance; I recall sleeping in a room with a couple of other members of Parliament.

An hon. Member: Move into a tenement.

Mr. Rose: Well, I would not want my plight to sound too bad! However, I will say this. I certainly had no automobile in Ottawa. A second automobile for use in Ottawa was naturally out of the question.

The following year we sold our house in Coquitlam so we could afford to buy something here, and we moved to Ottawa. I brought one wife, one child and one car. We all moved to Ottawa. I do not mean to be funny about this; I do not think it is funny. I do not want anyone to weep too much, but I do not think it is funny, either.

Our move to Ottawa, of course, meant that I no longer had a home in my riding. Therefore, each time I visited I had to rent a car and maybe sleep at my mother's house or crash the home of some political supporter. I do not want hon. members to weep over this. I got by. I am still here. I was defeated but later I was re-elected. The shock to my system was not that great. I got by and so did my family. I had to give up my UBC pension for six years, because becoming an MP meant I would have to pick up both the university's portion plus my own and I could not afford the cost.

I was first elected in 1968. I was out for five years. Therefore, I can anticipate a proportionally minimal retirement allowance, based on four years of low salary when I first came here, if and when I am next defeated or retire.

Again, I say I will get by; but it can be argued that Parliament is no longer the private preserve of the wealthy, neither is it any longer the private preserve of the elderly. There are now dozens of young MPs here with growing families who intend to make a career out of politics. For them, serving in Parliament is far more than a calling; it is a career with rather risky job security provisions.

• (1710)

These young members need decent salaries, decent pensions and decent severance pay once they are defeated—as they surely will be. Since 1968, 218 members have failed to win election. I believe the average term of an MP is less than six years. If their terms are less it means that most MPs fail to qualify for even the minimum pension. They will not qualify under this bill either, so I repeat, this package is not overly generous. It is both reasonable and responsible. Even if some of the more senior MPs do not need more money, some of the younger ones with families need the improvements badly. On behalf of this party, I support the recommendations contained in the bill.

Let me speak briefly now about severance pay, and again I call upon my own experiences to illustrate the need for some form of severance pay for those MPs who are defeated, as most are, before they qualify for a minimum pension after six years.

I was defeated in 1974, but while serving here I was on political leave from an enlightened institution called the University of British Columbia and I still am. The day after I was defeated in 1974 I went back on staff at UBC, so the lack of severance pay was not an issue for me. I had security and I had tenure, but hundreds of others do not. The readjustment to "civvy street" is much more difficult for them.

My four NDP colleagues who went down to defeat in 1980 were not so lucky. Three of the four had seven distinguished years as parliamentarians. All were good MPs, but as so often happens when vote shifts occur, being a good MP is like being a spectator at a shoot-out. You can be gunned down anyway. Of the four, not one had a job to go back to the day after the election. One though, after some months, was reluctantly taken back by his school district because the contract demanded it. Two others still cannot find jobs equal to those they left on first becoming elected and the third started his own business and is in debt to the bank for thousands of dollars.

I have said nothing about lost promotional opportunities in the prime of one's career life. I have not spoken of catching up professionally after an extended absence from a job or profession. After an absence of six years, I felt I did not know the literature; I was dated, and it took a long time to get back where I was professionally when I left. I do not mean financially because I was covered financially. I have not spoken either of housing and domestic factors that make the readjustment of a defeated MP extremely difficult.

I think, tough, I have said enough to make a fairly convincing case for severance pay for defeated MPs, and I think I can say, despite our differences on certain parts in the bill and its benefits, that this party agrees that severance pay is essential and supports it 100 per cent.

Now let me turn to pensions. Many people think that upon retirement or defeat all MPs receive pensions bountiful enough to enable them to take numerous world tours, dine only in the finest restaurants and stay at the best-hotels. From the laugh-

ter, I notice that some hon. members are not convinced; but most of the general public believes that.

As I have already stated, most MPs do not receive any pension whatsoever because they are not here long enough to qualify. If you do not believe me, just ask some of those nine-month MPs who came and went with the Clark government. How many? Too many, say the Tories.

As the Balcer-McIsaac report points out, in 1979 there was a grand total of 218 former MPs receiving pensions. Of these, 101, or virtually half, receive pensions less than $3,000, which is lower than the basic old age pension today. There will be no world tours for these pensioners.

The next highest group includes 93 former MPs and they receive between $3,000 and $10,000 per year. This is not lavish when one considers that a pensioner on old age security and with the guaranteed income supplement today receive $5,160 per year. The hon. member for Winnipeg North Centre (Mr. Knowles) is known far and wide for his achievements on behalf of the pensioners of Canada. I am not saying that our elderly receive too much. I am saying that if you put it in the proper perspective, the 93 former MPs who receive pensions of between $3,000 and $10,000 per year paid their share of their premium. It was not a gift.

Our present pension requires a 7.5 per cent premium to be paid and the one we are considering will require a 10 per cent premium at the minimum. As was pointed out earlier, the indexing portion will cost another 1 per cent and if one wants a decent spouse's allowance for a survivor, the premium will cost an additional 1 per cent. The contribution, therefore, is between 10 per cent and 12 per cent annually.

This is a pension to which MPs will contribute probably more than the government's share. It is no gift. It is a pension like any other pension and takes 15 years to mature. How many members of Parliament last for 15 years? Very few.

I spoke on this subject of the pension ten or 11 years ago, Mr. Speaker. At that time I believed that no one should be eligible for a pension under the age of 55. In fact, I regret that this bill does not include this provision. When we last discussed pensions I was 46, and I moved a motion to that effect. Of course, it was defeated. I cannot move that motion today since I would hardly be considered objective, being past that magic age, but I would not object if another member moved such a motion. I do not want to move it because it could be considered favouring my own age group over some of the other members and their interests, so I will not do that.

I hope that this has not sounded like a litany of gripes, Mr. Speaker. As has been said earlier, this is an exciting and important place to be. People are not here just for the money, they are here for a lot of reasons. Among the most important of the reasons is the fact that they like politics, they like serving their country, they like the variety and the challenge.

I should like to pay respect and show my gratitude to the people who have sent me and my colleagues here and have given us an opportunity, which comes to very few people, to serve our country in this institution. It is an experience available only to few people and I am grateful for it. I do not want any defence of the bill to sound like I am sick of my job, therefore.

In conclusion, I am supremely aware that, as humans, we are all prone to cloak our actions in the most noble of motives, and probably I am guilty of this human foible today, I do not know. What I do know is that in 1970 I typically voted against the pay raise and later took the money. At that point I decided that, if I ever intended to take the money again, I would vote for a package if it was fair. I think this package is fair and I intend to vote for it.

Some hon. Members: Hear, hear!

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• (1720)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-23, an act to incorporate the Jules and Paul-Emile Leger Foundation, to which the concurrence of this House is desired.

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BUSINESS OF THE HOUSE

Mr. Collenette: Mr. Speaker, we neglected to inform you earlier that following discussions among the parties, in a few moments we will deal with private members' private bills in the name of the hon. member for Kenora-Rainy River. Following that, instead of moving to motions for papers in the name of the hon. member for Vaudreuil, there has been agreement that we proceed with motion No. 40 in the name of the hon. member for Davenport.

The Acting Speaker (Mr. Blaker): I thank the parliamentary secretary for that information.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have a further message from the Senate. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has agreed to the amendments made by the House of Commons to Bill S-10, an act to amend the Corporations and Labour Unions Returns Act, without amendment.

May we consider that private members' hour started at 5.22 p.m. It being 5.22 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motion, papers, public bills.

Mr. Reid: Mr. Speaker, I rise on a point of order. I think that you will find that with respect to Bills S-20, S-21 and S-22 there is agreement in the House of Commons to take these bills through all remaining stages and pass them within the time-frame that we have available today.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I confirm that those discussions have taken place as described by the hon. member for Kenora-Rainy River. Perhaps we should deal with those matters early in private members' hour, which I think would be quite appropriate and agreeable to all members.

Mr. Knowles: Agreed, Mr. Speaker.

PRIVATE BILLS

[*English*]

ONTARIO NEWS COMPANY, LIMITED

Hon. John M. Reid (Kenora-Rainy River) moved that Bill S-20, to revive Ontario News Company, Limited and to provide for its continuance under the Canada Business Corporations Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

G.A. BARBER & SONS LIMITED

Hon. John M. Reid (Kenora-Rainy River) moved that Bill S-21, to revive G.A. Barber & Sons Limited and to provide for its continuance under the Canada Business Corporations Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

EASTERN DIVERSIFIED COMPANY LTD.

Hon. John M. Reid (Kenora-Rainy River) moved that Bill S-22, to revive Eastern Diversified Company Ltd. and to provide for its continuance under the Canada Business Corporations Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

● (1730)

PRIVATE MEMBERS' MOTIONS

[*English*]

THE ENVIRONMENT

ESTABLISHMENT OF ENVIRONMENTAL BILL OF RIGHTS

Mr. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the government should consider the advisability of introducing an environmental bill of rights which would, with respect to federal matters:

1. emphasize the right of an individual or group of individuals to initiate court action when in their judgment the environment is in danger, without first having to prove that they have suffered personal or economic damage;

2. shift the burden of proof to the polluter after the individual or group has established that damage to the environment is likely;

3. make information held by private companies and governments on the handling, storing and treatment of hazardous products and related manufacturing processes accessible to the public, with certain exceptions to be defined in regulations;

4. give the court the power to set interim or permanent injunctions in an action commenced under the act; and

5. give the court the power to set standards where there are none and order a polluter to comply.

He said: Mr. Speaker, in this motion I am asking the government to introduce legislation that would protect the environmental rights of Canadians for the following reasons.

With science and technology advancing in leaps and bounds and with a life style that still encourages consumption rather than conservation, the environment is increasingly coming under attack. As citizens, we need the means to act so that we can prevent damage caused by pollution. We need this legislation because today the citizen does not have real recourse in attempting to prevent an initiative that might seriously damage his environment and even his livelihood. Usually he can only claim for damages after the fact.

We need legislation to protect environmental rights because present laws and practices have the effect of putting the citizen in a much weaker position than the industries that pollute. As described in a book entitled "Poisons in Public" by Ross Howard, an environmental journalist who wrote for the Canadian Environmental Law Research Foundation:

The polluter's use can stop the swimmer from using and enjoying a lake, but the swimmer's use cannot stop the polluter from polluting the lake . . . Even in a world with rules against pollution . . . the leverage inherent in resource consumers means that they can continue their conduct until sued. In short, they almost inevitably will be defendants (of the right to use and pollute) and those whose uses preserve rather than deteriorate will ineluctably be plaintiffs.

What recourse have the people suffering from mercury poisoning in the Wabigoon River against control orders which have been delayed for a decade, or against the company that threatened to shut down rather than clean up? What recourse does the small resort owner have against the polluters causing acid rain which is slowly killing the lake on which his business depends? What recourse do the Nishga Indians, the B.C. Medical Association, the B.C. Federation of Labour, the Anglican Church and environment groups in that province have against the dumping of toxic waste into Alice Arm Inlet by the Amax Corporation?

These examples support the argument that it is no longer enough to compensate the victims of pollution. This is why preventative legislation is needed in the form of this proposal or something similar to it.

Environmental protection is not a new concept. This and past Liberal governments have taken many positive steps. There is the Environmental Contaminants Act which among other things has led to the banning of PCBs and chlorofluorocarbons in many products. It allows for "interested parties" to initiate boards of review into regulations and I am told that "interested parties" is being interpreted widely.

Under the Clean Air Act, the public now has 60 days to comment on new regulations. The results have been positive. Mercury air emission regulations made in 1976 were strengthened considerably after public comment. This act has been amended recently to strengthen the fight against acid rain. Since 1973 review panels have been set up to ensure that environmental effects are taken into account as early as possible in federal programs, projects and activities. We have had an independent environmental advisory council since 1972 to provide the Minister of the Environment with informed advice on problems and policies respecting the Canadian environment. Encouraging developments are under way regarding the testing of toxic chemicals used in industry, and I welcome recent statements by the minister which support the advantages of pulling together into one piece of legislation the various acts which deal with environmental protection. The list could go on.

The motion today proposes another step towards ensuring a clean and healthy environment. How? By opening up the system, by encouraging public action to a much greater extent. Under present procedures citizens are not told in advance what standards of pollution control the government intends to apply to polluters. In fact, in Canada pollution control is accomplished through established standards and emission rates negotiated privately between the polluter and the regulator. Without well researched and well organized comment and analysis by public interest groups and independent experts, issues do not receive a full and fair hearing. Therefore, affected groups feel alienated. With consultation, the better the standards are likely to be, the more public support they are likely to gain.

Traditionally Canadians have relied on their governments to protect the environment and regulate industry. By encouraging public action, citizens too will have a responsibility in protecting the environment.

We are proposing that individuals or groups of individuals be given the right to initiate court action when in their judgment the environment is in danger, without first having to prove that they have suffered personal or economic damage. In essence, this right would permit a citizen to sue for a violation of environmental quality rights in much the same way that one has always been able to claim that a property or contract right has been violated.

It is important that the suit be initiated without first having to prove personal or economic damage because this can be either impossible to prove conclusively or it might be beyond the means of a private individual to produce sufficient technical evidence to support his complaint. The citizen would have to establish first that damage to the environment is likely. The burden of proof would then shift to the polluter. This is the second point in the motion. Today, under present legislation, the major burden of proving even the most basic issues, such as pollution source and impact, is on the plaintiff—in other words, the victim—in almost every lawsuit, and this is virtually an impossible task.

For example, anti-pollution action under the federal Fisheries Act often ends up in court. The onus is on the government to prove beyond any reasonable doubt that a polluting substance is "deleterious to fish". However, if sublethal effects are suggested but not confirmed, it is hard to find expert witnesses to testify. The case is therefore lost and prosecution cannot be carried out.

Under the Environmental Contaminants Act, government officials must be satisfied that a substance is or will constitute a significant danger before it can be regulated. The government must prove its suspicions before it can move in reaction to a chemical already on the market. Unfortunately, the most definitive proof is a victim.

As an aside I would like to add that the initiatives that the Canadian government has taken at the OECD to enforce on all member nations standard tests of toxic chemicals are commendable. It is unfortunate that these efforts have been "shot down" by the Americans. However, even if successful, our action would not have protected the ctitizen against any of the 50,000—I repeat, 50,000—chemicals on the market today.

● (1740)

The third point in the motion calls for access to information on the handling, storing and treatment of hazardous products, and it has already been addressed by Bill C-43, the access to information bill. Once it is enacted, the bill will enforce the principle that government information be available to the public and specifically provide for public access to records containing the results of product or environmental testing carried out by government institutions.

The fourth point in this motion, to give courts the power to set interim or permanent injunctions in actions commenced under the act, would have the advantage that damage or threats of damage to the environment would not continue unabated during long court cases. It supports the principle that toxic chemicals should be regarded with suspicion and "guilty

until proved innocent". This power would be similar to powers given to the courts under the Fisheries Act where the court can order a polluter to refrain from committing further offences.

The fifth and final point dealing with judicial review flows from the Michigan environmental protection act of 1970. Quite frankly, I would prefer parliamentary review on a continuous basis combined with prior public consultations, but I have included this point of the purpose of stimulating debate and arriving at a better conclusion.

I am fully aware that this motion involves provincial as well as federal jurisdictions and that in legalistic terms the motion may seem impractical or unenforceable at the federal level. However, I believe that the environmental issue of the day and of years to come which this motion attempts to address, namely, the survival of life on this planet, is of such fundamental importance that Ottawa cannot afford to abdicate any aspect of environmental protection in the name of federal-provincial divisions of power. Pollution problems do not respect political boundaries. The federal government has the advantage of the larger total view of this issue including the long-ranging aspect with will face us at the turn of the century—and perhaps earlier—namely, the disposal of waste.

Furthermore, there are certain questions which all in this country have to address, no matter what implications they might have on such matters as the division of power under the Constitution or the role of the courts. For instance, how much longer can we continue to dump toxic waste into rivers, lakes and oceans before they will be completely unable to regenerate themselves? How much longer will the air be able to cope with pollution from industry, traffic and other sources of pollution? How much longer will the soil be able to absorb increasing amounts of pollution deposited by rain before being irreparably poisoned by man? And who is to blame? We can blame industry for being the villain, we can blame governments for inaction, but in the end it comes back to the inevitable conclusion that the polluter is man. Blame it on the consumer, on western world affluence or on the wasteful society; the fact remains that individually and collectively we are the polluters.

We have conflicting social values here. In each one of us there is the environmentalist who wants to breathe clean air and drink pure water. In each one of us there is also the consumer. Our lifestyles depend on goods and services whose production endangers the very environment we want to protect. These conflicting values find expression in the legislatures and parliaments. Some laws protect the environment, some the consumer and others the capability of industries to make the products we are so eager to buy.

It is for reasons of this kind that I have introduced this motion asking the government to introduce legislation to protect environmental rights. The intent of the motion, in recognizing that as citizens each one of us needs to accept some of the responsibility for the protection of the environment, is to equip the citizen with the tools he or she needs to exercise his or her responsibility, especially when facing big industries, big governments and the consequences of decisions made in far-away places.

Barbara Ward summarized this very well when she wrote a few decades ago:

> —the warning remains . . . if man continues to let his behaviour be dominated by separation, antagonism and greed, he will destroy the delicate balances of his planetary environment . . . once destroyed, there would be no more life for him.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I rise today to lend my support and, I think, the support of many of my colleagues for the main thrust of this particular motion, which reads:

> That, in the opinion of this House, the government should consider the advisability of introducing an environmental bill of rights which would, with respect to federal matters—

—accomplish certain ends. I have listened with some real interest to the remarks of the hon. member for Davenport (Mr. Caccia) and can agree almost wholeheartedly with the elements which he would like to see in such an environmental bill of rights. They parallel those which have been recommended by various non-government environmental organizations, including the specific recommendations of the Canadian Environmental Law Association in its excellent publication "Environment on Trial". I am referring, in particular, to the chapter on an environmental bill of rights. I take issue with some of the points in the chapter to which I have referred, just as I take issue with a number of those raised by the hon. member for Davenport. But, on the whole, I support the thrust of the suggestions made both by the hon. member and by the Association.

Like the hon. member who has just spoken, I think we do indeed need a bill of environmental rights which, among other things, would state clearly and explicitly that the citizen has the right to a healthy environment, that government has an obligation to protect the environment against individuals or groups who might be predisposed toward violating the environment and that government's first priority in accepting or rejecting any proposal must be the protection of the public interest as far as environmental matters are concerned.

I think such a bill of rights should be backed up with mechanisms and procedures which would make it possible for citizens to participate in all kinds of processes—whether they be tribunals or whatever—established to protect the environment. Just as important as anything else, it is essential that any environmental bill of rights, be it that of the hon. member for Davenport or another, be applicable both federally and provincially.

● (1750)

The fact is that, when the Fathers of Confederation met between 1864 and 1867, they did not see the environment as a matter of great urgency. That was not a failure on their part; it was just a reflection of the reality that environmental issues were not as important then as they are today. The Fathers did not make the relevant provisions; so we have shared jurisdiction over the environment by the federal and provincial governments, with all sorts of attendant problems. For that reason, I think the bill of rights should have application at the two levels.

Some elements I would like to see in an environmental bill of rights parallel those contemplated by the motion of the hon. member for Davenport. They include the following. First, a clear statement that the public has an inalienable right to a healthy and attractive environment. That fundamental right should be recognized in legislation that would have a degree of paramountcy. At present the Minister of the Environment (Mr. Roberts), however well intentioned, has discretion in the application of environmental law. The discretion should be removed or at least severely restricted.

At present, too, the two levels of government may take certain actions to protect the environment, but rarely does legislation state that government must take action. The environmental bill of rights I have in mind would address that problem in such a way that the owner of a particular piece of land or property would be seen to hold it in trust for the public. He or she would handle it knowing that it is not for his or her use only. The individual has an obligation to protect the environment, and failure to respect that public trust would make him or her liable to legal action by the state or by other individuals.

The second element needed is the right of standing. My colleagues in the legal profession could elucidate that concept more eloquently, than I, but let me simply refer to what I envision. It is the right of a citizen to use the law to uphold his common law rights to defend the environment in courts and tribunals. As I see it, members of the public should have the right to enforce the law, a right known as standing. Government should not have a monopoly on enforcing environmental protection laws. Certain provisions should be made so that citizens can sue to stop any project, program or policy—or proceeding, for that matter—which is not conducted legally and which harms the environment in some way. Members of the public, individuals or groups, should have the right to appear before government boards, commissions and agencies for this purpose.

A third element is that of environmental impact studies, a requirement that they be done on projects which might endanger the environment before those projects are allowed to proceed. I need not tell the Minister of the Environment how the existing process works; he is across the floor and knows as well as I do. However, for the benefit of other members, there is an initial environmental screening process to determine whether a particular project might have detrimental consequences for the environment. If after that is done there is reason to believe a project would hurt the environment, a more formal review and assessment is done. It is all co-ordinated by the federal Environmental Assessment and Review Office of the Department of the Environment.

The problem is that the process is all discretionary. All of it is done or not done at the whim of the minister or the cabinet, or perhaps on the recommendation of the minister's officials. Even if the minister is well intentioned and has all the goodwill in the world, the fact is that in certain circumstances abuses may happen under the present system. We have already seen how abuses have been allowed to creep in with respect to the Beaufort Sea. Both the Arctic Waters Advisory Committee, AWAC as it is known, and the Regional Ocean Dumping Advisory Committee, RODAC as it is known, recommended in the strongest terms that certain projects in the Beaufort Sea region not be allowed to proceed until full environmental assessments have been done. I am referring to the circumstances surrounding applications in 1979 for permits for harbour facilities at McKinley Bay and Tuk Harbour.

Well, despite the fact that the government's own advisory committees recommended environmental assessments be conducted, the government proceeded with approval of those permits within only days of the applications being made. Clearly, Mr. Speaker, discretion was exercised without much concern for environmental principles. The inclusion of this particular element in a bill of environmental rights would prevent such an abuse of discretionary power. Governments are always vulnerable to lobbies, special interest groups, and high-powered and well-financed private interests which can manipulate and twist and move the government in one direction or another in their own interest. As a result, the discretionary power of a minister of the environment can sometimes be exercised against the public interest. I think we need public hearings connected with all environmental impact assessments, wherein members of the public who do not have a vested interest in a particular project would have the opportunity to participate fully and without encumbrances. For example, it might be that money will have to be made available for these groups to enable them to take part because it can often be prohibitively expensive to do so otherwise.

There are other provisions, Mr. Speaker, in a bill of environmental rights that I would like to see included. I have already referred to public hearings. In that context, I think freedom of information is vital. The public cannot participate usefully and productively if it is denied information. At present, practically without exception, all information in the possession of government is released to the public at the whim or discretion of a politician or civil servant. No matter how innocuous the information, it requires their approval to be released. Members of this House know from experience that, more often than not, even innocuous pieces of information are marked secret, confidential or restricted.

● (1800)

We need a provision in an environmental bill of rights which opens up the process to the public and allows citizens to have full access to information, with restrictions clearly specified and limited and perhaps with some deterrents to ensure that the system is not abused by the public. Sunshine should be shed on government at a time when all too often darkness prevails.

Public participation should be extended also to the setting of standards. Environmental standards are now largely found in regulations, provided for in some piece of legislation but not detailed there. But practically no one knows what the regulations are because, after the legislation is passed in Parliament, public servants get together, draw up the regulations, and no

one ever hears of them. The process needs to be opened up. If there are to be regulations, let them be made public and let them also be devised only after members of the public have been allowed an opportunity to participate in the drafting of them.

My argument is particularly true, for example, in relation to Bill C-48, which is now before committee. Clause 49 will establish an environmental studies revolving fund. Millions of dollars will be disbursed to fund environmental studies to protect the environment against certain resource activities on Crown lands. The regulations which will govern the operation of the fund are not now known to members of Parliament. The specific regulations are not being discussed in the standing committee. They will perhaps never be known to the public. In any event, when they are finally drawn up, they will not reflect any input from the public. An environmental bill of rights needs to take into account that kind of problem.

Also, an environmental bill of rights should make provision for an ombudsman, either an individual or a group. If it is to be a group, it could be an existing environmental body restructured to do a number of things. It would advise the government and the public on environmental matters. It would act as a watchdog on the environment, and it would report periodically on environmental issues.

A further environmental bill of rights provision would give the right to pursue class actions to the public, non-government environmental groups and others. Any citizen or group of citizens would then be able to sue on behalf of similarly aggrieved citizens for any damage resulting from environmental destruction. This might be particularly relevant in connection with hazardous wastes, as the hon. member for Davenport implied.

Another provision in an environmental bill of rights should be the right to defend the environment at reasonable cost. Public participation in tribunals can be prohibitively expensive, as I have already indicated. Individuals and groups will have to be assisted with their participation. We need a mechanism to allocate funds to members of the public who wish to defend the environment through the courts or tribunals.

A further provision should be a restriction on the discretion of environmental agencies. Too often environmental agencies are able to operate unfettered, unbridled and in secret without their decisions being made public or without any provision for public participation in those decisions.

The hon. member for Davenport referred to a judicial review of administrative action. I wholeheartedly concur with his suggestions along those lines. Decisions by government environmental agencies should not be unfettered. These agencies are now allowed to operate almost *ex cathedra;* they have the last word on the subject and their decisions are usually beyond the reach of courts. I do not think the courts should be allowed to trample upon government agencies or departments. These agencies must be allowed a certain amount of independence. But surely their decisions should not be totally beyond the purview of the courts. The courts should have some role in ensuring that at least due process is followed.

Finally, I think the burden of proof in environmental matters should be on the polluter. I agree with the hon. member for Davenport in that respect. Anyone who wants to introduce a new product, process or substance into the marketplace should be required to demonstrate that it respects the environment. The onus should not be on the public to demonstrate that a certain product or substance will violate the environment. The onus should be on the industry or the company introducing the product into the marketplace to demonstrate clearly beforehand that the environment will be respected.

May I conclude by expressing some regret that the government opposite did not see fit to include environmental rights in its constitutional reform package. It is an irony, with all due respect to the minister, that the Minister of the Environment was asked to assume special responsibilities for piloting the constitutional program through the House and ultimately through Britain, yet the same minister apparently has not had enough clout in cabinet to ensure that the reform package included, if not an environmental bill of rights, then some environmental provisions. Nevertheless, I respect the minister's dedication to the environment and am sure it will be reflected in his remarks this afternoon to which I very much look forward.

The Acting Speaker (Mr. Blaker): For the benefit of some hon. members who may not have been present at the time, the House agreed earlier to commence private members' hour at 5.22 p.m. The Chair will recognize the end of private members' hour at 6.22 p.m.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, first I congratulate the hon. member for Davenport (Mr. Caccia) for a passionate and compelling speech. Also I congratulate the hon. member for Hillsborough (Mr. McMillan). I do not agree with all the interpretation which he places upon the present situation, but nevertheless I think his speech was constructive and useful and one which I will study with great interest.

I want to particularly congratulate the hon. member for Davenport for bringing this motion before the House. Surely it is an appropriate time, when the country is on the threshold of the establishment of a constitutional entrenchment of the protection of our rights, that our attention should be directed by him to the notion of applying the idea of rights to an environmental bill of rights.

It is a pleasure for me to welcome his motion and to indicate that it has my complete and loyal support, even though in one or two places of detail there may be a certain reservation on my part, at least until we have had a chance to examine further and reflect upon his proposals. Both he in his motion and the hon. member for Hillsborough have stressed the point that we are dealing with an area of responsibility in which there is a shared jurisdiction. I want to touch upon that point for a moment.

The provinces enact environmental protection laws under the property and civil head of the Constitution, the federal government primarily under its peace, order and good government powers, fisheries, criminal law and the trade and commerce powers. Thus, both levels of government may enact environmental protection laws. In so far as we are able, we would like to act co-operatively with our provincial colleagues in ensuring that in our jurisdiction our actions complement one another and lead to effective action to combat polluting effects.

● (1810)

A few days ago in the House, the hon. member for Brant (Mr. Blackburn), speaking on behalf of the New Democratic Party I think, expressed the concern that there is not a sufficiently clear definition of federal responsibilities in those areas and that there may be some difficulties in leaving such extensive powers in the hands of the provincial governments as there are at the present time. I think that the reference was particularly to the Clean Air Act and the question of transboundary, that is to say, cross-provincial boundary situations of airborne pollution.

I have taken seriously the comments of the hon. member for Brant, and also the kinds of representations which have been made by my colleague, the hon. member for Davenport (Mr. Caccia). I would like to say to them and to all hon. members of the House that we have seriously under consideration the question of how the various environmental laws on which federal responsibility is based might be improved, strengthened and clarified, not only in terms of provincial and federal jurisdictions but also in terms of the responsibility for that mandate among the various departments of the federal government. Therefore, it is particularly helpful for me to have the kind of comments which have been expressed today, because within my department, and certainly in my own thoughts, active consideration is being given to exactly how we can strengthen the environmental base for the federal government's action.

The motion that the hon. member for Davenport has brought forward implies that Canadians are denied, or at least may find it difficult to assert, because of the procedural barriers in civil law, the right to seek redress for harm done to them based on environmental wrongs. I can tell your Honour that my departmental officials and I have been examining the difficulties which citizens encounter when they want to make their views known on environmental issues and when they seek redress in the courts. As well, as I have mentioned, examination is being undertaken of the existing federal environmental protection legislation with a view to designing a better, more enforceable and more relevant legislative basis for Environment Canada's environmental protection authorities. Those studies, which are nearing completion, deal directly with many of the issues which the hon. member for Davenport has usefully drawn to the attention of the House today.

First, I should say to the hon. member that Environment Canada expects to implement a department-wide policy which was first proposed last summer, under which the Department of the Environment will provide for regular and continued consultations between my officials and any and all members of the public. Both of the previous hon. members who have taken part in the debate have stressed the importance of consultation and of widening the basis of consultation. As part of our new proposals, all our important regulations will be reviewed, using clear, equitable and written procedures which will ensure full opportunity for public input at various stages in the regulation-making process.

There is an important principle which goes far beyond our desire to ensure that the processes of government, such as regulation-making in the environmental protection area, are open and accessible to the public. Let me elaborate on that. When our approach to developing environmental protection regulations was formulated in the early seventies, Environment Canada took great pains to initiate detailed technical discussions with industry in order to identify regulatory requirements which were feasible and which represented the upper limits of good industrial technology and environmental design. The hon. member for Davenport has referred to that process and expressed some skepticism in regard to it, and I think he is right.

In an era when technical requirements established by governments tended to be formed somewhat in a vacuum, there was a risk of legal challenge. I think that in that context, the approach of government-industry task forces was a significant step forward. However, with the benefit of hindsight, I think we can now recognize that that earlier approach, however innovative and progressive it may have seemed in the early seventies, opened the door to the criticism, which was exactly that which the member made, that polluters had a disproportionate influence in the decision-making process, and that the regulations which were issued sometimes may have had the appearance of—and may, indeed, have not only had the appearance but have in substance simply accommodated the needs of industry while providing a kind of symbolic reassurance to a concerned and apprehensive public. I think that the hon. member's criticisms from that point of view are very well taken.

Our new approach to public consultation will welcome and, indeed, will see participation from all concerned public groups. It will provide a much better balance, and, in my view, constitutes a significant feature in Environment Canada's contribution to regulatory reform. I hope that more effective consultation at the rule-making stage will breed better regulations and may reduce the number of occasions on which the enforcement of activity ends up in the courts. I appreciate that public consultation requires calls for innovative approaches. We need to look for and to create new opportunities and discuss policies and programs with those who are either directly or indirectly concerned. We need to have that open dialogue at earlier stages than we have had before in the development of new policies and programs.

I recognize as well that travel costs to effect this consultation can be a burden for some interest groups. I might add that

I am pleased to have read that the parliamentary task force on regulatory reform, chaired by my colleague, the hon. member for Willowdale (Mr. Peterson) was encouraged by, and saluted the progressive approach to regulation-making which was being put in place by Environment Canada officials.

My department's new public consultation policy will also include a section on information availability which will be enforced until supplemented by new legislation such as is embodied in the access to information bill which is currently before the committee of the House. I am particularly proud of these initiatives of Environment Canada and feel that they present the vanguard of open and accessible government procedures.

The second point I would like to make is that I am pleased to report that Environment Canada has commissioned a study, which is almost complete, on the general problem of citizen access to the courts in environmental matters. By way of background on this study being done for us, let me remind Your Honour that environmental protection laws have been broadly characterized as common law or statute law. Common law consists of a compilation of reported decisions of judges on disputes resolved earlier, as Your Honour knows. Statute laws are creatures of the legislature and are usually seen as society's legislative statements of a problem. They generally propose a cure for that problem, aimed at controlling and shaping individual behaviour to conform with acceptable societal norms. The controlling devices used are normally regulatory or quasi-criminal in nature. Statute laws are seldom concerned with the rights of a single individual as these have been historically established through the case law associated with civil and property right.

The public should be able to play an important pollution control role at the enforcement level. In Canada, the courts have recognized the right of the individual to enforce the quasi-criminal provisions of regulatory statutes and private prosecution. Your Honour may be aware of the facts associated with a private prosecution concerning pollution problems in the Fraser River in British Columbia. That public action was initiated pursuant to pollution provisions of the Federal Fisheries Act.

I am encouraged that public concern has the outlet, through features of the Federal Fisheries Act, which facilitates the private initiation of legal action. The work on this matter tends to convince me that there should be an increased role for citizen actions on behalf of the Crown to help draw immediate attention and, indeed, to permit the citizen, or any group of citizens, to commence a legal proceeding for the violation of environmental legislation or regulation. I believe that this is a very important principle which the hon. member for Davenport wishes to have us affirm.

One can argue that it should also be possible to use common law causes of action in instances of environmental degradation in order to advance the broader community interest in environmental protection. The prospect of success in privately initiated litigation may be remote due to differing bases of liability, a potpourri of different defences and many procedural evidentiary difficulties. For example, in some actions the responsible party's fault is relevant, while in others, liability follows irrespective of whether there is any fault. Often, in order to be successful, a plaintiff must prove that it was the defendant's activity that caused the injury being claimed; or the injuries suffered must be material. In an effort to characterize the injury as material, the plaintiff seeking to advance community interests finds himself on the horns of a dilemma because many of the more pervasive environmental concerns relate to quality of life, to air quality, to quietness, to aesthetics, the lack of which will tend to be characterized by the courts not as material but as little more than personal discomfort. In an attempt to elevate those concerns to the status of material injury, plaintiffs are frequently forced to relate the injuries to their property by showing a general decline in property value.

In spite of some relatively strong judgments from some judges, the trend in Canada seems to be that courts are reluctant to tackle what they regard as the broader social issues. This means that they will tend to favour the economic interests of those who have invested heavily in a project and look to some other agency to strike the appropriate balance of environmental protection and economic development; that is to say, that they will push the determination of that issue outside the context of legal decision. Generally speaking, common law actions are designed to protect property interests, so it follows that one needs some interest in the affected property to maintain the action of a plaintiff under common law.

I would like to abbreviate my remarks on this point, because my simple point is to establish some of the difficulties that we might have if we pursue the objective of relying upon the courts to make some of these decisions concerning the public interest in environmental matters. If we wish to facilitate civil action in the area of environmental protection, we must address those procedural impediments, making it difficult or impossible, and I will quote from the hon. member's resolution, for:

● (1820)

—an individual or group of individuals to initiate court action . . . without first having to prove that they have suffered personal or economic damage.

In view of the constitutional considerations, I believe it is the provinces that must take a lead role, since property, civil rights and the administration of justice including civil procedures, are clearly within their domain and constitutional responsibility. I mean that the provinces must take the lead role in relation to the first matter brought to our attention by the hon. member in his resolution.

The second feature of the hon. member's motion proposes as follows:

2. shift the burden of proof to the polluter after the individual or group has established that damage to the environment is likely;

Mr. Knowles: Mr. Speaker, I rise on a point of order. Because it was not possible for a member of this party to get the floor to participate in this debate, may I be permitted simply to say that we congratulate the hon. member for

Davenport (Mr. Caccia) on bringing in this resolution. We are glad to see the reasonably favourable response given by the minister. I hope he can proceed even further.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 6.23 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING SALARIES OF SENATORS AND MEMBERS

The House resumed consideration of the motion of Mr. Pinard that Bill C-83, to amend the Senate and House of Commons Act, the Salaries Act, the Parliamentary Secretaries Act and the Members of Parliament Retiring Allowances Act be read the second time and referred to Committee of the Whole.

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I rise this evening following three speakers who have fortunately, or unfortunately covered the waterfront. As is the case when partisanship falls by the wayside and members on all sides of the House deal with an issue in which they have conviction, the first few speakers usually deal with all the vital issues involved.

Let me say that I support this bill. But I want to share a few thoughts and make a few comments on this bill. I have had the privilege of working with some of the members who have spoken who serve on the Standing Committee on Management and Members' Services. I recognize the non-partisan kind of work and the sincere attempt which was made by all parties to come up with a solution that is represented in the bill we have before us this evening. The matter has been of concern to us and it has been gnawing away at many members for a considerable period of time. We have already heard about the justice that is represented by this bill.

Not long ago I had the honour to be elected by my peers from my caucus to represent the Ontario members who have a sub-caucus on this side of the House. Sitting as their chairman, I have had the opportunity on many occasions to discuss with members, particularly the younger ones who have come to the House recently, some of the difficulties that we endure together. I might mention some things that have already been talked about. Collectively we have to come up with second homes. But there are other small and insignificant things which create a need far greater than is apparent to most people from the outside looking in. Any home, no matter where it is located, requires the ordinary upkeep, such as, for example, the cleaning of downspouts, the repairing of sidewalks and painting and fixing of windows from time to time. These may seem insignificant tasks, but when one considers the life of a member of Parliament, if he or she is doing what that member is required to do, which is to be here in Ottawa for the sittings of the House, for committee meetings, for meetings with lobby groups and, when they get home, to attend meetings with their constituents, one realizes that there is very little time to do these extra things. As a consequence, one finds oneself paying someone else to do them.

I have no difficulty in explaining to my constituents as do others, where the tax free allowance goes. When I talk to my constituents who are salesmen, businessmen, junior executives or farmers, and I have a large farming community in my area, people recognize they have certain tax deductible expenses that a member of Parliament does not have available to him. What salesman or trucker does not have some kind of expense allowance while on the road? Does anyone suggest that that person is augmenting his salary or wage by the amount spent while on the job? I think not. Therefore, I believe that the all-party agreement represents an understanding by this House that there is a definite need and an element of justice that is being responded to. That is represented as well in terms of the agreement on a limited debate. It is probably represented as well by the few exceptions we will hear to the general agreement that we move forward.

• (2010)

I have had the opportunity, as have many members, to examine in depth the McIsaac-Balcer report. This report set out a middle of the road approach which was neither niggardly nor excessive. Notwithstanding that happy middle ground which the McIsaac-Balcer report came up with, we in the House, recognizing that there are still examples to be given by the representatives here and willing and prepared to give that kind of example, agreed to accept something considerably less than what McIsaac-Balcer recommended.

Hon. members will recall the last time we dealt with this issue in 1975. We are now trying to bring at least the base back up to the point where it should have been for the last three or four years. In 1975, salaries were brought to the point where they were at a level where they probably belonged. We then decided that we were going to do without the first increment given to us by reason of the conditions which existed at that time and by reason of the example we were prepared to give.

Few people remember that, except for those who continue to suffer from the fact that we gave that example. It is important that we raise it again. A full year of increment has been missing since 1975 when the legislation was passed. Although we may not suffer in terms of what is in our pockets now, we

make those people suffer whom we have either brought with us to Ottawa or who support us in our ridings, be they wives or husbands.

At the time of entering politics, we had a certain standard of living. We had no right to expect our spouses or families to suffer a deteriorating standard of living because of our being here. We did not believe that by coming here we would increase our standard of living. I ask the question rhetorically: would it be fair to expect them to sustain a decrease in that standard of living because of our commitment and their commitment to allow us to come here and offer our services, whatever value they may be, to our country?

My final point by way of delineation is I do not believe that by salary alone we would attract people to devote their time and indeed their lives to the service of their country by serving either this Parliament or another legislative house. I firmly believe it can be a deterrent to persons whom we want to be here making the judgment. As other speakers before me have stated, there should not be a financial impediment to attracting people or at least to making it unattractive for them to present themselves as candidates.

Members on all sides of this House want to do the very best for Canada. We want the best in terms of representatives who will be attracted to this place. The fact that we are dealing with salaries and pensions will help. We do not put at risk to as great an extent, even though there is a sacrifice to be made, the lives of individuals who choose to come here in the future. Without this, those who give it a lot of thought may not come.

I would not want anything I have said to be misinterpreted by my colleagues here or anyone outside this House. I would not want anyone to think I wish I had not done what caused me to come here nor anyone to believe that I am now somehow crying sour grapes. Like every member of this House, I am extremely proud to have been sent here. I came of my own free will after a lot of hard work, not only on my part but on the part of many people in my constituency. I continue to take pride in that and to appreciate it. However, I say at the same time that what we do tonight will permit someone to follow in my footsteps and the footsteps of my colleagues who will be replaced as time goes on by, hopefully, people of even better calibre and quality. They will not be, among other things, jeopardizing the standard of living which they and their families will have.

I will be supporting this bill. I compliment the House leader for having brought it forward and I compliment my colleagues on both sides of the House who worked so hard to draft what has ultimately come before us this evening.

Mr. Chris Speyer (Cambridge): Mr. Speaker, I will speak briefly on this bill because many of the points I wish to enunciate have already been covered. At the outset I will state my position because I think it is important. I feel very strongly that this bill is long overdue. I am going to support the bill. I am going to vote for the bill.

I want to say publicly what I have said privately in the corridors and outside this House. I do not believe that members of Parliament are adequately paid. At the same time I am in a distasteful position. I find it distasteful to speak to a matter where I am the arbiter in which I have a personal interest. There is a certain sense of unfairness. As members of Parliament, we must do something to ensure that this does not occur time and time again.

This problem has been before us on numerous occasions. Many members of Parliament thought there was some type of panacea or solution in having a report prepared whereby independent people would provide us with suggestions as to amounts for our salaries, pensions and other matters. Unfortunately what happens with respect to these matters is it is always a source of political embarrassment.

Every political party in this House has a certain concern about what the political fallout will be when we begin talking about matters in which we have a direct personal interest. If we learn anything as a result of this bill and what has preceded it, it is that the type of reform we need, not only for members of Parliament but judges and deputy ministers, is a different process for determining the proper amount of salaries and benefits to be afforded senior officials of government.

This problem is not new in the world. The Australians have a far more preferable system than the one we have to endure tonight and throughout the ages of Parliament when it comes to this issue. The Australians appoint a tribunal. It is not made up of civil servants but of people who have been out of politics in an elected way for more than seven years. They meet every year and advertise their hearings. The government actually makes representations as to what the proper amount of salary and additional benefits ought to be. Then within 15 days of a decision being made, unless 50 per cent of the house signs a petition and puts it before the house in Australia, that is what the salaries are.

● (2020)

It is high time this Parliament stopped spending its time dealing with matters which involve not only our own salaries but also the salaries of judges. I think that is not the proper course Parliament should adopt, and we ought to do something constructive about it. I think the Australians are on the right track. The people of New Zealand have adopted the Australian course of action. We should seriously look at that as a pattern, not only for establishing our own salaries but also the salaries of judges and the salaries of senior civil servants.

With respect to the amounts we are talking about, may I say that the government has not arbitrarily set our salaries. Salaries were suggested by a commission established for that purpose. The amount we are about to receive, as the last speaker so accurately pointed out, is two-thirds of what this independent tribunal assessed, and still within this House there is a sense of embarrassment because we have to speak about it in terms of our own personal interests. That is just not right.

I was very much impressed when we were discussing the Judges Act. Representations were made to all of us with respect to what the proper salaries of judges ought to be. I was one of the members of Parliament who spoke to judges. They

pointed out the hardship they were personally enduring as a result of making $60,000 a year. We know what judges make now, close to $80,000 for judges at the superior court level and $70,000 at the county court level. Yet complaints were made to me in good faith that they could not send their kids to college and that they were finding it financially embarrassing. In addition to that—and every member of this House is aware of it—they wanted a pension to which they would not have to contribute. That matter was a source of deep contention in this House. We hived off that bill, and that matter will now be decided within committee. I put it to the House that if judges found it hard to support their families at $60,000, how is a member of Parliament to carry out the responsibilities of supporting his family at $32,000?

There are certain members of this House who are independently wealthy and do not worry about salary. There is a good number of us who have to worry because it is now our only source of income. I am a lawyer by profession, but I do not practise law any more because the responsibilities of a member of Parliament are such that I do not have the time. It used to be different but it is not that way now, and I think our constituents demand that we spend full time in this House. I do not want to be handsomely paid; I want to be adequately compensated.

As I see the suggestion in the bill before us, which is two-thirds of what an independent tribunal assessed, I think there can be no argument in this House that we are being overpaid that meets the test of reason. There is no just way we are. With respect to the matter of salary I wholeheartedly endorse this bill.

Let me speak about a matter which I find in the newspapers constantly, the fact that in addition to the $32,000 we receive as salary we also receive a tax-free allowance. People say that is part of our salary. I for one want to tell those people who think that is the case that it is just utter nonsense. I believe there are members in this House who will agree with me when I say that we spend every cent of our tax-free allowances and more. I do not consider that to be salary at all. I hope the public understands that members of Parliament actually do use that for maintaining homes and for the expenditures pointed out by the hon. member for Nepean-Carleton (Mr. Baker) which are incidental to our being members of Parliament. I think everyone in this House is proud of the privilege of representing his own constituency. It is a good feeling to wake up in the morning and to like going to work, in spite of the frustrations.

Nobody here is a member of the House of Commons for the money. That is clear, but what is not clear to many people is that members of Parliament in many cases are hurting a great deal, and they ought to be adequately compensated.

The final point I wish to make is in relation to the very interesting and useful part of this bill respecting severance. To me a 50 per cent severance allowance is a welcome addition. I had a pretty good law practice when I was practising in Cambridge in southwestern Ontario, but if I were to go back to the practice of law and take up where I left off, it would take me at least a year to establish my clientele again. No matter how prominent a member is, when he goes back into business, law, medicine or dentistry, it takes time. To my way of thinking, one-half of the salary is certainly a welcome addition.

The last matter I would like to address is the question of the pension. I re-emphasize what the hon. member for Nepean-Carleton stated. I make a certain assumption, and that assumption is that the pension is responsibly funded. We have the assurance of the government on this matter and, that being the case, I lend my wholehearted support to this bill, which I think is long overdue.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to begin my remarks by expressing my thanks to my colleagues for agreeing that I might be the second speaker of this party for, as will be expected by almost everyone, it is my intention to speak against this bill and to vote against it when the debate ends.

I want also to thank the government House leader for suggesting this afternoon that both the hon. member for Nepean-Carleton (Mr. Baker) and I have been co-operative in arranging for this debate to take place. That is true for both of us, but I would like it to be clear that my co-operation was because I believe in the right of the members of this House to discuss the matter if they wish to do so, and I was happy to lend my co-operation to make that possible. That does not mean I am co-operating for the purpose of getting the bill passed. It was understood—and I am grateful for this—that even if only one member were to stand at the end of the debate to request a recorded vote, there would be such a recorded vote.

Another complimentary word I should like to offer is to my friend, the hon. member for Mission-Port Moody (Mr. Rose), for the speech he made this afternoon. He knows I do not agree with him, but I thought he made a well stated and excellent case for the bill and for the position of members of Parliament. I thought he did it—and I say this very deeply and sincerely—without giving any offence to those of us who might take the other side of this issue.

Nevertheless, having said that, I disagree with most of the arguments which have been put forward and, in my view, Parliament ought not to be passing this bill at this time.

● (2030)

I suppose I am a different breed. A couple of years ago the Prime Minister referred to Tommy Douglas and me as leftovers from the depression. Tommy Douglas had an appropriate retort. I made none. I did not mind the suggestion the Prime Minister had made, namely, that some of us have not forgotten the experience people went through in that decade. I suppose if I tell you that I also was born into depression in 1908 and that I graduated from university in 1930 into another depression, members will say: Oh, that explains Stanley. He has had too much of that kind of background.

Mr. Paproski: That is not true. We all went through it.

Mr. Knowles: I am glad to hear that, and I am glad I have not forgotten those experiences. However, I also feel that I must never forget why I came to this institution. I must never forget the conditions under which so many of my constituents still live. I like to think my constituents are not just those who live within the boundaries of Winnipeg North Centre, but they are pensioners, veterans and people in need right across Canada. I feel I must not forget them.

As I say, it was because of what I went through, what I saw people going through in the 1930s, that I decided I had to move from the pulpit into politics, and eventually found my way here in 1942 for the purpose of achieving greater equality amongst the people of Canada, and to solve some of the economic problems our people face. In my view, Mr. Speaker, and I hold this very deeply, if I am going to remember the people out there, there must not develop too wide a gulf between my standard of living and theirs. I speak only for myself, I do not ask anyone else to agree, but I feel if I am going to represent the people in need, the pensioners, the veterans and all the rest, they must not feel there is such a gulf between us that I cannot really mean it. I am not suggesting members of Parliament have to be poor or go into debt and all that sort of thing. But I am suggesting it does not hurt one whit for us to experience a few difficulties and know what life is like in economic terms if we are to represent faithfully the people out there who are suffering economic difficulties.

I recognize the case that has been made, particularly by my friend, the hon. member for Mission-Port Moody whom I have already complimented, for the needs of many of our members, especially the younger ones with families. However, the Prime Minister has already said that older people should rearrange their priorities and somehow get along. If we want to maintain contact and credibility with our people, we should rearrange our priorities, even on our $47,100 combined salary and expenses allowance we now receive and try to make it. I do not equivocate about the matter at all. I think the pay and allowances we are now receiving should stay at that level and we should not at this point be seeking an increase. I say that at this time in particular because of the difficult circumstances facing Canadians in recent months. The tremendous increases in the cost of living and interest rates have put our people in a difficult position, and we in this place have done very little to ameliorate their situation. I do not think it brings us closer to them to ameliorate our situation when we have done nothing for them.

I want to be fair about this session. I do not see very much that we have done at all. There was that $35 increase in the guaranteed income supplement last summer which has been eaten up time and again so far as our older people are concerned. Tomorrow we will pass a bill that I have been pleading for every week this year to cut out the delay in benefits sour 20,000 widows of veterans were subjected to in the bill we passed last summer. Now, if other members can add to that list the things we have done to meet the needs of the people we represent, I would be glad to hear them.

An hon. Member: Silence.

Mr. Knowles: I hear silence, just as if I were performing a wedding and had asked if anyone had anything to say, let him say it now or forever hold his peace. Yet, Mr. Speaker, we say that we, too, have troubles: the high cost of mortgages, interest rates, the cost of living, cost of travel. However, we are in a position to do something about it. It can be justified; everyone who has spoken in this debate thus far has justified it. I say, and I speak only for myself, that I do not want to be in the position of improving my situation when we have done so little for those out there.

For that reason, Mr. Speaker, I cannot vote for this bill. As I say, quite frankly—and I do not apply this test to anyone else—I cannot retain for myself the extra dollars that would come to me if this bill were passed. I feel it all very deeply. I have already made reference to what my experience has been. My friend, the hon. member for Edmonton North (Mr. Paproski) says we have all had those experiences. That is true. I am not the only person in this place who came from humble beginnings and who know the experience of a shop worker father who was laid off from time to time. I am not the only one; this place has many persons like that. I just do not want to forget it. I think this Parliament should not forget it, and I think we would better represent the people of Canada if we ourselves deliberately suffered a bit, if we deliberately delayed doing things for ourselves until more has been done for the people we represent. That is why, Mr. Speaker, I feel this bill should not be passed.

I am not trying to answer the arguments that have been made. They are all valid. It depends on the point of view from which you start. I think someone said today, what is the job worth? What are the people prepared to pay? My question is: What am I prepared to pay to maintain the confidence of the people for whom I am working here and not just to get something better for myself? I am prepared to pay the price I have implied in what I have already said.

It is sometimes argued that a better rate of pay is necessary in order to attract good people to the House of Commons. I think that is nonsense. I was going to use another word but the Prime Minister did not like it when my leader used it earlier today.

An hon. Member: Unparliamentary anyway.

Mr. Knowles: No, no. In my view, Mr. Speaker, as I have said, and it has been quoted, I have never seen any lack of candidates at election time, and everyone knows then what the pay is going to be. I can remember some awfully good men in Parliament when the pay was $4,000 a year and no extras.

An hon. Member: One-dollar men also.

Mr. Knowles: Yes, $1 men also. I know times have changed, but my fear is that getting the salaries up where they are and where they are going—and these figures are getting pretty high by the time you add in the new salary level, the tax free expense allowance, and the higher indexing, within a few years

we will be up there in the stratosphere—all it really does is attract people looking for a good paying job. I think for the good of the country we should avoid that. Maybe others will say: Well, I am just like the rest; I do not want it to be too high or too low. However, I think the emphasis, the main reason for coming here, should be one of dedication to the good of the country and of the people we represent. We may not forget them with more money in our pockets, but they think we will. They think we are in the position of the elite and that we have all kinds of things that we do not even have. It seems to me that we should be prepared to pay a price to have the confidence of the people we represent. That, to me, is something which is very important about Parliament these days. People are wondering whether we really represent them, whether we are really addressing ourselves to their problems. They are coping with 20 per cent interest rates, they are coping with food costs which have gone sky high, they are coping with housing problems that they cannot meet, and all the rest of it. I just have the fear that in the next day or two, as people read about what we have done today, they will feel, "Well, those men and women have taken care of themselves. Can we count on them addressing themselves to our needs?"

● (2040)

I am speaking only for myself. I say again that I am grateful to my colleagues, the majority of whom are on the other side of the issue, for letting me speak at this time. If we cannot make my way prevail, if we cannot get the bill defeated, I hope that at least I will inspire people to the proposition that we must think a lot more about what we are doing for the people we represent.

I know one could say, "We will do this first and then we will do it for the others". It does not normally work that way, but I want some sense of conscience to be felt in the House about what we are doing. I know all the arguments, that the $4,000 which I talked about when I was first here is irrelevant. I may say to the younger ones who are having difficulty that I understand it. I knew what it was to try to get by on a $4,000 indemnity with Mr. Ilsley taking $1,200 of it away in income tax during the war, with no air flights to get home, only railway passes, with out-of-pocket expenses which paid for two trips a year. Boy, look at the distance we have come. Look at the things we have now as part of our jobs. They also add to our standard of living, to the joy of being here, to the thrill of being members of Parliament. I suppose it has been decided in each caucus how the vote will go tonight, that the bill will pass, but I want to express my objection to it.

One of the other arguments used of course is that in terms of percentages the increases that we have had in the last few years add up to something like 4.5 per cent per year and that the people out there have been receiving higher average increases than those. Let us remind ourselves that it depends upon the base, it depends upon where it is starting. I have this argument with the Minister of National Health and Welfare (Miss Begin) about old age security. She and the rest of the government are proud that the pensions are indexed according to the rise in the consumer price index. The base to begin with was too low. With us the base to begin with back in 1974-75 was way ahead of the average, and we received increases. The thing to look at is not a comparison of the rate of increase but the absolute dollars and the absolute relationship between us and the people we represent. If we do that, I hope we will think more about the whole situation.

As I say, I do not expect to change the vote. I am glad the government House leader and the opposition House leader agreed with me yesterday that we would have a vote so that those of us who feel as I do could have our votes recorded against this bill. At least I hope the thoughts I am uttering will have some effect on the thinking of members and that, starting tomorrow, starting next week, or starting on October 14 when we come back, we will try to be better representatives of the people, with members more attentive to their needs if for no other reason than for conscience sake because of what we have done for ourselves.

While I am on my feet may I say that there are one or two things I would have liked to raise in committee on the bill. I realize by the time 9.45 p.m. comes, there will still be members wanting to speak on second reading and the committee stage will be quite pro forma. If I have anything I want to say in terms of the things that are in the bill, I will have to say them now.

The first is that I am very sorry that with this bill being brought in, opportunity was not taken to correct something for former members of Parliament who retired a number of years ago for whose wives there is no protection if the member died first. There are only about 20 or 25 such former members, all of whom I knew; they were here in my time. They retired and went on the small pension that it was then, $3,000 per year being the maximum, but it was before there was a provision for survivors. There are these 20 or 25 former members out there who are prepared to make payment to cover actuarially the cost of a pension for their widows. They have been in correspondence with the Minister of Finance (Mr. MacEachen) and with the government House leader. It has been kicked around. I have had copies of most of the letters. I had thought when the time came to amend the Members of Parliament Retirement Allowances Act that something would be done. We are doing things in this bill, especially in the pensions part, for members who are now here. We are permitting them to go back and make extra payments for years gone by so as to get the full advantage of this bill, but why is it that we are never prepared to do something for those who have left the place? As I said, the 22 or 23 former members about whom I am talking are quite prepared to pay the actuarial amounts to cover their widows. I wish something had been done for them.

Speaking of the pension arrangements, I have to say that through all the fine arguments I have heard defending the new pension arrangements I found it pretty hard to accept as justifiable a scheme under which in 15 years one can become qualified for what is known as a full pension. The argument is that members pay for it. They pay for it out of the increased indemnity. Actually we pay for half of it; the government puts up the other half. Any steel worker or any elementary school

principal in the country would be happy to pay for a pension that good—fully matured at the top level in 15 years. It has been agreed to. If it goes through now I think it is a little too much. If I may return to my theme, I hope after it is done that we will have a little conscience and realize that having done what we have for ourselves, we ought to be doing a lot more for the people we represent.

By the same token—and I would have raised this in Committee of the Whole had there been time to do so—I still think that it does not make sense and it is not fair that a pension for life is available regardless of one's age. I know it is hypothetical and theoretical, but it is possible for a person to be elected here at the age of 18, spend six years as a member and receive a pension for life, level up to age 60 and indexed thereafter. No one has done that, but there are members who have gone out in their thirties and forties, and there will probably be more. This does not happen in ordinary society. People say, "Why do you do those things for yourselves when you will not do them for us?" It has been my experience that after almost every time we have done something to the pension plan, some Liberal has come to me and said that we should not have done that. I remember particularly when we had the Curtis report a number of years ago. Professor Curtis of Queen's did one of the studies, and one of the things he recommended, I think, was that members' pensions be deferred to age 55. Some have suggested age 50, but certainly it should be age 55 or 60. While it was before us we got nowhere. I suspect within a few days from now there will be some members saying that that is what we should have done, and so we should have. These are things I would have raised had we got into committee of the whole. That will be a *pro forma* experience, so I mention them now.

I will be a bit more personal. I have heard two or three hon. members say today that it is an honour to be here but that families cannot live on honour. I know that is true. It is not my suggestion that we should ask them to do that. It is not my suggestion that we reduce the indemnity. I would take it if there were a reduction, but I guess I am that strange breed. But I want to say that you could not pay me with millions of dollars to match the satisfaction I have had in being a member of Parliament. I was here for 16 years, from 1942 until 1958. I had a four-year break, and I have been here 19 years since then. So I have been in this House for 35 years. In the first session that I was here, I think the first accomplishment that I won—and hon. members will smile about this in view of what will happen tomorrow—was a concession from the Hon. Ian MacKenzie. He was then minister of pensions and national health, and he had charge of veterans affairs. The department had not yet been created. I pleaded from my seat in the back row, for widows of World War I non-pensioned veterans, for whom there was nothing. They are now covered in the War Veterans Allowance Act. They were not, in those days, even though the act had been around for a number of years.

● (2050)

I remember the day when Ian MacKenzie got up in this House and tabled an order-in-council which would provide ad hoc allowance for that year to those widows of World War I veterans. Someone said that it was reported in the paper that I was jumping for joy yesterday. I almost jumped for joy then over the satisfaction of that kind of an experience within a year or two after I came here, in that same first session which ended in 1945. I was not alone then, but I had a good deal to do, by way of participating in it—we got the first increase in the old age pension, which had been $20 a month from 1927 until 1945. Just before the election in 1945, we got that pension increased to $25 a month. There was still a means test. The pension was still paid 75 per cent from Ottawa and 25 per cent from the provinces. Then Manitoba had to be persuaded to pay its $1.25. These amounts sound infinitesimal now, but the thrill of that sort of thing makes the experience of being here, through all of its frustrations and through all of the disappointments, one which one could not match with millions of dollars.

Across the years I have been involved in the same things, such as old age pensions raising them up from that $25 up to where they are now, over $200 on a universal basis at age 65; getting family allowances started and keeping them on a universal basis at a time when the government wanted to put them on a means test. We now have unemployment insurance, hospitalization, medicare, the Canada Pension Plan and greatly improved veterans benefits. I could make a longer list of the things which I have not seen succeed; but I say to hon. members; do not think of this place as one where one has to work hard and does not get much pay. Think of it as a place where if one stays with it and has some sense of dedication one can win.

This morning while I was in my office there was hardly half a minute between each of the phone calls which came. Some of them were about today's business and matters like that, but most of them were from people who had seen the item in the news this morning about the bill which was introduced yesterday to end that waiting period for 15,000 or 20,000 veterans' widows. As a matter of fact, I do not think one of the calls was from a widow herself. The calls were from other people, such as veterans and citizens generally who were just pleased that this step had been taken. No sum of money can match that satisfaction.

I do not need a pay increase. I do not need tributes or that sort of thing. The thrill of being here and winning some of these accomplishments, the feeling that people out there are perhaps a little better off in some respects, or that they are glad they have someone who is a friend in court for them, makes this experience, the 35 years that I have had here, such a delight that I hope I can do it again.

Mr. Rose: Another 35 years!

Mr. Knowles: Another 35. I thank my hon. friend.

I suppose that those who spoke earlier will reply to me, "That is fine, but one cannot feed a family on honour". We are not asking families to live on honour. We are talking about moneys which are into the $40,000 and $50,000 bracket per year. We are talking about a lot of other things that we have.

It is tough in many cases, and if one has not been here very long, one's pensions will not let one travel around the world; but we are reasonably taken care of. We are well ahead of those whom we represent. I think our pay and allowances should stay as they are.

I thank hon. members for their attention. I am delighted to have had this opportunity to state my philosophy of the life which a member of Parliament should lead, and I thank my colleagues again for letting me be the second speaker of our party, even though I differ from the majority of my colleagues. I hope hon. members realize why, when the vote comes at ten o'clock tonight, I shall be voting no.

Some hon. Members: Hear, hear!

Mr. Chas L. Caccia (Davenport): Mr. Speaker, this intervention will be a short one. It will be one which I do not relish making. First of all, I would like to give thanks for the opportunity of participating in this debate and to explain why, by virtue of perhaps being old-fashioned or by virtue of having a mental block or other reasons which I cannot briefly describe, my reasoning leads me to the conclusion that, regretfully, I cannot support this bill.

This is the way I see the issue. To me it is a question of going back a year ago when I was elected for the life of this Parliament. In a way I felt that I was hired under the terms and the conditions of the duration of this Parliament. I therefore feel that I entered into this role of a member of this House with the clear understanding as to what was ahead of me, both the good and the bad. Having reached this point in my thinking, my next step, therefore, is to comment on the approach which I would support and I would urge the government to consider, because this is not the first time and there will be other times, years from now when this matter will be before this House.

I think we should arrange things in a way whereby one Parliament decides for the next. In our specific case, I would be glad to support the measure whereby we would determine the salaries and other conditions for the members of Parliament to be elected in the next Parliament, namely, the thirty-third Parliament. In doing so, I think we would, first, increase the quality of accountability in such a way that it would not harm the texture of democracy, and maybe it would strengthen it. Second, we would be making a decision for a group of parliamentarians whom we really do not know yet, for another group separated from us; some of us may be in that group and some of us may not. In other words, we would not be making a decision for ourselves; we would be making a decision for the next group, whatever the composition of that group may be. Third, the public would know in advance. It might want to make it an issue, but I doubt it very much. However, it would not be an issue which will be raised during the life of a Parliament for that specific Parliament but it would be an issue in relation to the following one. The public would know, the candidates would know, and there would be no element of surprise. I had hopes that this bill would contain a clause which would permit those who wish to do so to continue under the present regime until the end of the life of this Parliament. In other words, in doing so there would have been an element of choice and a possibility of option. Those who want to continue this regime would be able to do so, and would therefore have a choice. Those who want to have a change, would have the alternative. I regret that this clause has not been included. I would not say that this is the entire picture that I would like to give in my reasoning. There is also one element that has to do with timing. It seems to me that this is not exactly the most appropriate time in relation to what is going on in our economy.

● (2100)

To summarize, Mr. Speaker, my position is that I cannot support this bill. I do support the concept, the principle of one Parliament deciding the income of the next Parliament. As I mentioned before, this is not the first and it may not be the last time when MPs debate their own salaries. Each time it is no fun to see this issue come along this way, no matter on which side of the issue one stands. The concept of accountability, the concept of timing and of the option, are all related to this basic principle of one legislature deciding for the following.

I should like to conclude by saying that like all my colleagues in this House, I enjoy the parliamentary work. I enjoy the conditions under which I am allowed to work and I regret very much not being able to support the majority of my colleagues in this project.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I rise to speak on this pay and pension bill which has seen the light of day in this House this afternoon, hence my handwritten notes, rather hastily put together.

Neither I, nor anyone in this House, has had a chance to inspect and calculate the cost of this pay and pension bill. I find that a very uncomfortable position from which to debate any legislation in the House.

I am certain that the pensioners who are waiting for their cheques and the small business owners who are watching their businesses atrophy, will not be impressed at the way we suddenly sneaked this bill in and will pass it in the course of six hours over other much more important legislation. I am particularly appalled by the callous disregard of cost associated with the bill, especially in the pension provision. It would have been far better to split pay from pension so that we could have responsibly investigated and debated them individually. Although they are linked, I intend to deal with them separately.

Let me begin with the pay portion and the increases for members. I will say at the outset, that while many of my colleagues have made eloquent speeches in defence of a pay increase and I agree with many of the points, this is a debatable bill and many of those points are debatable.

I regret very much having to speak against the personal and family interest of many members, as they are perceived by them. Perhaps I should say that it is my former colleagues I will be speaking against when tomorrow morning comes

around. Indeed, I could have restrained myself from speaking against the bill at all had we simply been debating a pension bill. Let me dispassionately attempt to offer the counter view on some of the reasons advanced by my colleagues for the pay increase. I had intended to discuss the arguments of hard work, long hours, exposure to public ridicule, maintaining two homes, the fact that higher pay would provide better members of Parliament and all that sort of thing, but some of my recent colleagues and speakers here tonight have made the case for me, so I will not waste the time of the House on that.

Let me deal with a couple of arguments to the effect that this pay increase is needed in order to compensate MPs in a manner commensurate with private sector professionals, and that MPs provide a valuable service and do a most important job of running the country. At the risk of seeming to be facetious and cynical, let me examine some of these points.

The comparison with the private sector income and the quality of service in running the country can, I think, be dealt with together. It is true that executive pay is generally greater than that of an MP but, private sector salaries and pay scales are based on the achievement of results. Much has been made today about the activity of members of Parliament. If we are being paid for being busy, or being inconvenienced, or being bothered by the public at any time of the day or night, or for the discomfort in travelling, or all the other arguments, then the public is certainly getting a bargain if we are paid by the hour. But if we are being paid for results, as in the private sector, then I submit there is little justification for a pay increase based on this Parliament's results.

One of my colleagues has argued that individual members have not made claims to control inflation or hold down interest rates or support the value of the Canadian dollar or hold down the price of gasoline, and therefore they cannot be held responsible for failure in these areas. This, I submit, is a specious argument at best. The government certainly did claim it would do these things and every member was a spokesman and a mouthpiece for those claims with his constituents; ipso facto, every member here, whether elected to the government side or not, made or implied such a claim by virtue of running for Parliament at a fee which was known in advance.

Let us look at the one and one third year record of the government, its members and all of us, to see whether we justify and deserve the $9,000 per year pay increase reward for performance for meeting the obligations and promises in the contractual arrangement we made with the public of Canada.

The price of gasoline which was $1.07 per gallon when we were elected, is now $1.60, which is way over the guaranteed maximum. Interest rates on election day were running at 14 per cent but today they are 5 per cent higher, at over 19 per cent. The value of the Canadian dollar was 86 cents on the U.S. dollar on February 18, 1980 but today it is down to below 83 cents on the U.S. dollar. Inflation was running at 9.5 per cent then, is today running at 12.3 per cent and tomorrow we will hear the latest news on that. I submit that does not justify a pay increase at all.

We could look at other economic indicators or yardsticks but I think these are as important as any and will serve. You will agree, Mr. Speaker, that they represent the total failure of this Parliament to achieve the objectives claimed. This does not warrant the reward of a huge pay increase. I suggest that the government side should be penalized by the amount of inflation, not rewarded by its failure to deal with it.

What other Canadians have the opportunity to redress their absolute job failure or to relieve themselves of the burden of high prices by giving themselves an offsetting pay increase? I have heard the argument that inflation cannot be controlled, that it is imported, that it is inevitable, etc. ad nauseam. I suggest that a government which has paid attention to the development of Canadian industry and Canadian production and Canadian jobs over the years would now be seeing the results of sound industrial strategy. These results would have had Canada importing less foreign goods and, therefore, less foreign inflation. We would be producing more domestic goods made from Canadian natural resources and therefore eliminating, to a large degree, the cost of imported inflation. Even if we were importing inflation from our principal trading partner, the United States, that might be a benefit. Their inflation is only two thirds as high as ours.

Even if we do not accept the argument that inflation can be controlled, let me ask; if members of Parliament with the federal government cannot control inflation, who can? This large increase and this increased indexing of both pay and expense allowance will give government members no incentive at all to fight vigorously on behalf of senior citizens, mortgaged home owners, small business people and the people who drive cars and heat homes.

I can just imagine myself going back to my constituents explaining to them how I am down here battling inflation, battling high interest rates on their behalf, while I vote myself an unwarranted—and that is unwarranted by results—pay increase.

● (2110)

Let me now deal with the real issue as I see it, namely pensions. The pension program is a very costly item. This proposal is the most unparliamentary and irresponsible action by a spendthrift government. The government House leader (Mr. Pinard) said earlier that consultation among the parties had preceded the introduction of this bill. That is true. But he neglected to mention that no details had ever been given, certainly not to this party. Indeed, I have never seen any. No discussion with members with regard to detail or cost preceded this debate. We are seeing the bill for the first time today and I consider that irresponsible. No expenditure measure should ever be debated and passed without a detailed examination, in this case a detailed study of the actuarial soundness.

A government which has brought us a $15 billion annual deficit is certainly not one to be looked to for calculating in advance the cost of such an expensive program at the expense of the taxpayer. Surely it would not have been too much to have asked the government chief actuary to inspect. He was

not consulted, nor was the superintendent of insurance for Canada.

Actuarial figures, such as the return on investment calculation on the funds invested to see how much there will be when payout takes place, have not been studied. If you look at some of the cost comparisons with the private sector, you will see how bad this is. The average cost of a pension plan in the private sector is about 9 per cent of the total lifetime income of the recipient. Even in the best of private sector plans, the cost is about 12 per cent to 15 per cent of the total lifetime earnings of the pension recipient.

If the salary increases with indexing, and the cost of pensions as shown in the McIsaac-Balcer report are carried out, the cost down the road to the government, that is the taxpayer, will be something in the order of 75 per cent of the lifetime earnings of a member of Parliament. That is irresponsible. Even if a member pays 10 per cent out of his own pocket, the government will be picking up something over 70 per cent, with the rest coming from investment. The government forbids anyone else in the country, parliamentarians excluded, from earning more than 2 per cent of their lifetime earnings as a pension. That is the law. This plan allows members of Parliament to have pensions as great as 5 per cent of their lifetime earnings, or 2.5 times the amount allowed to a regular Canadian citizen by law. That pension allowance applies from the day a parliamentarian leaves this place and it carries on until a member reaches the age of 60 at which time the pension becomes indexed. It goes upwards from there.

There has never been an evaluation of the members' pension plan. Even the present plan has never been actuarially studied. How could any responsible or informed member support such extravagance? Any 15-year member of Parliament who votes today on this pension plan provision will be voting himself or herself a $250,000 or more increase of lifetime earnings. That is over and above the $700,000 or so that are put away for him already in the present pension plan. Therefore, a member who has been elected for 15 years will have the value of about $1 million set aside in his or her name as pension funds. That is for regular members. Cabinet members will get much more. Even parliamentary secretaries significantly get more, probably $500,000 more than regular members.

In six hours we are sneaking through a $9,000 pay increase as provided for by the McIsaac-Balcer report which has been cut by one third, which is supposedly a real cutback. The argument was made earlier that what other union or group of Canadian citizens would take less than an arbitrator's recommendation, but I submit that two thirds paid out in full today is better than 100 per cent paid out over four years, if you know anything about 20 per cent money today.

The least we could have done as a government was to consult our two distinguished actuarial former members, one in the Quebec Legislative Assembly and one a former member of this Parliament. They could have looked at this plan on our behalf. Mr. McCrossan was the former member of Parliament for York-Scarborough. Mr. Claude Castonguay is the former minister of health for Quebec and lately is a special adviser to the Minister of National Health and Welfare (Miss Bégin). As adviser to the minister, Mr. Castonguay helped in an intensive investigation into private sector pensions. If it were so important to have looked into private sector plans, would it not have been useful to have consulted Mr. Castonguay on the massive outlay contemplated here today? If the government had not wanted to consult the private sector people, it could have consulted Mr. Walter Reise, chief actuary. He is knowledgeable about RCMP pensions and other public service pensions. He has the computer and the program ready to go, yet he has not been consulted.

How can we study the private sector to death and yet not look even casually into this mammoth expenditure? There is even a federal-provincial conference set up for September to look into the private sector. We are not rushing into that in any six hours.

I implore the government to separate these two items of pay and pensions so that Parliament can inspect the costs and the ramifications of this actuarially unsound and unethically large pension which cannot even be provided under the law to the ordinary citizens.

Finally, let us recognize that by providing such an inordinately large pension after 15 years, an MP will be better off if he or she retires from Parliament, then collects a pension of 75 per cent of the best six years and takes another job. So much for keeping skilled parliamentarians working and getting better members of Parliament.

The government of today does not know and cannot know how many members will retire, will be defeated, how long they will serve or how long they will live an draw pensions, in some cases along with their spouse. So the costs of output cannot be controlled and have not been actuarially studied. Only the input amounts are known.

I intend to vote against this vast and irresponsible disregard of public funds, this unwarranted squandering of the dollars of the citizens of Canada for the benefit of government members of Parliament who are not carrying out their jobs successfully on behalf of the citizens they are sworn to serve. I hope other members will have both the conscience and the good business sense to vote against it as well.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I would like first to break down to some of the arguments just made by the hon. member for Scarborough East (Mr. Gilchrist). I do not know how much schooling he had, but when he states that two thirds now are better than 100 per cent in three years, I think that he should figure it out for himself, and he would then see that, in view of the indexation, this amounts instead to 26 per cent less than what is recommended by the report of the McIsaac-Balcer Committee. He should learn some arithmetic.

Second, I would like him to note, with regard to his arguments against the pension fund, that the average term of office of a member of Parliament is four and a half years, and that to be eligible for pension, a member of Parliament has to remain

in office for six years. When the average term of office is between four and a half and five and a half years and when the first condition to receive a pension is to have remained in office for six years, he can certainly not maintain that this system will favour a certain elite. I believe, Mr. Speaker, that if we consider the problem objectively, we can see that a real problem exists because we are all human and no union in Canada would have agreed to settle for an increase of 4.4 per cent in seven years.

● (2120)

One of my colleagues on this side of the House argued that he knew what his salary would be when he agreed to be a candidate. I remember what went on when I was with labour negotiating collective agreements. When I first got a job, I accepted the first offer that the employer made to me. A year later, I was president of the union and I wanted a higher salary for myself and for the others. I therefore think that it is unrealistic to maintain that we entered politics with full knowledge of the conditions and that we must now live with them.

I would like to give a few examples for the benefit of the hon. member for Winnipeg North Centre (Mr. Knowles). He quoted the Prime Minister (Mr. Trudeau) at the beginning of his comments. For my part, I would like to quote Plato, who was a great philosopher and a great politician. Plato said that politics must live with honour. Those who know me will say that it is unusual for me to quote Plato. I especially want to remind the hon. member that Plato was somewhat older than he is and that values have changed as well as practical realities.

When my hon. colleague first came to Parliament I had not even been born. I am sure things have changed since then. I am sure as well that things have been happening outside this House and there are times when I would urge him to go outside a little more often. As to those whose conscience prompts them to speak sincerely against the increase as proposed, I do invite them to get in touch with my office, for I am quite sure that they will find poor people in my riding who will be willing to accept the salary increases which those members find indecent today. I will be pleased to spread it among my electors. In that sense, one must be honest with everybody here. The salary increase we are about to vote for ourselves a little later is quite realistic. We simply have to look at Quebec right now where welders earn $1,300 a week—and they are on strike. They want $2,000 a week. Multiply that by 52 and you get $104,000. Those are today's facts of life.

When we came into politics, we wanted to serve the public. We also liked it and were willing to do it. But that does not mean that today we should try to belittle the role of member of Parliament because I for one believe that refusing to give a member of Parliament a decent salary is tantamount to belittling his role. That is quite all right for those who can manage to survive on $4,000 a year or who are so well off that they do not know what it is to be broke. We would then find ourselves within a group of wealthy people and a closed circle of millionaires who will be able to pay their own way, sit here and say: "Yes, we are working because it is an honour".

Mr. Speaker, I see nothing wrong in the fact that men and women in this House decide to accept a proposal which is less generous than the one recommended by an independent committee. I am saying this to you and I say it in front of all my colleagues here: I would have liked to get much more. I would have liked us to accept the Balcer report recommendations because he himself said in his report that those were minimum levels; and yet, keeping in mind the economic rather than the political situation, we have already agreed that perhaps it might be more normal to cut that increase by one third. I do not know many people who have offices and who work outside the House, who would go along with a cut of perhaps one third in their income.

Also, Mr. Speaker, I do not feel ashamed to take part in the vote tonight, because I think that next year the average salary of national league baseball players will be $383,000. Although we have a great athlete, Mr. St-Jean, among us, I think that those guys may be a bit overpaid. One thing is certain, Mr. Speaker, the people here work almost round the clock first to get elected but foremost to try and improve the lot of those whom they represent.

Imagine, the Leader of the Opposition (Mr. Clark) and the Prime Minister will get to be paid—the Prime Minister is now paid $67,000 and the Leader of the Opposition $53,000 and yet there are welders, as I was saying, who earn $1,300 a week and who are on strike because they want $2,000—as I was saying the Prime Minister and the Leader of the Opposition will get substantially less than that despite the fact that their responsibilities are considerably greater. I think that in 1981 we have to be able to face facts and to make it possible for members of Parliament to work within the system.

I would like to go back to the pension system, Mr. Speaker. I know a member—and I am serious—who, when he came here, drove a Jaguar. Today he drives a small foreign car. Some members here were set up in practice and doing really well, their businesses were flourishing, but now they cannot do both, that is work as a member of Parliament and maintain their law practice or their business. What is wrong with wanting some security? A lawyer who leaves a good practice and who spends 10 or 15 years of his life here would have great difficulty, if he was defeated, adjusting and building up a clientele in order to enjoy the same standard of living he had before entering politics. To those who argue that the salaries of $40,000 proposed here today are indecent, I would say that some of our provincial counterparts earn more. In Quebec, for example, MLAs will be getting $49,000 as of next September.

I also remind the House that we recently voted a salary increase for judges which made their salaries jump from $50,000 to $72,000 a year. Why? Because we know they need it to do their job. There is nothing dishonest in that. There is

nothing wrong in wanting a decent salary because decent salary helps one to do one's job and I think that the people who voted us into office expect from us first rate work.

We could give numerous examples. In the labour force and among professionals salaries are considerably higher than the one proposed here today. If I were to figure out the hourly salary of a member of Parliament, I am sure that some provinces would consider it illegal because it would be less than minimum wage. Of course, some will say: In my riding, my MP is not worth that much! This is what I would like to tell the people: Do you know how much your MP costs you? Your MP costs you about 25 to 30 cents a year. If my colleagues feel they are not worth 25 cents, I wonder what they are doing here. They have no respect for their constituents if they feel they are not worth a quarter.

Considering that, the work of a member is far from being an easy one. My hon. colleagues from the east should consider for a moment that our western friends have to log six hours of flying time to come and sit here five days a week and then go back to their ridings to carry on their work there. Think of our friends from the other provinces who have two homes and have to bring up their children by telephone. Yes, that is right: several hon. members in this House raise their families over the phone. That is how their families are raised.

I ask the people to think of that, to have a second look at the role and work of members of parliament. I say to the Canadian people that it is no easy task for us to sit here in judgment and vote ourselves an increase, being both our own judges and employers. It is no easy job and that is why it was decided to have an independent commission look into the whole problem. That commission recommended an increase spread over a three-year period to up to $45,000. After discussions with all the parties, it was decided, not because of the present political situation, not because it was feared we would not get re-elected, but because of the economic situation, to reduce that proposal by a third. And here again I say: those who maintain that two thirds of that increase today, as opposed to three thirds in three years from now, is a better proposition, are wrong. I beg of them to figure it out. The last proposal represents a net decrease of 26 per cent as compared with the recommendation of the independent McIsaac-Balcer Commission. That is what it boils down to. In other words, today we are accepting a cut in salary. Had I been there, had I still been president of the union, I would never have accepted a cut in salary for the union members I was representing. I would not be ashamed to go to my constituents and to tell them: "Yes, ladies and gentlemen, I took part in the debate, because I thought I was worth that much money and if you do not agree, since we live in a democratic country, when the time comes, I am sure that you will know what to do."

In conclusion, Mr. Speaker, I would like to ask all my colleagues, all those who are against this bill, to stop believing that everyone here is rich or a millionaire. Already in our constituencies, some people think that we earn $50,000, $60,000 or $70,000 per year. In addition, seven years ago, when a bill was introduced to provide for a salary increase, some people thought that we had got three increases. The bill had been tabled on first reading and the next day it was mentioned in the newspapers, so there was the first increase. A second increase on second reading and when the vote was taken on third reading, they believed that a third increase had been granted.

I say to those same people that, since 1974 when the last increase was granted, hon. members' income has in fact increased by 4.4 per cent. Such are the facts. In a democratic society for professional and labour groups some catching up is in order and it was done. It is merely a slight catching up. I thank the Opposition House leaders. I thank the President of the Privy Council (Mr. Pinard) who did a lot of work on this. I also thank all my colleagues, especially the member for Quebec East (Mr. Duquet) for his efforts to come up with what I consider a decent minimum salary which will enable us to carry out some decent work and not to "fill our pockets", as some people suggest but on the contrary to continue to provide first rate service to those who have put their trust in us.

● (2130)

[*English*]

Mr. Douglas Roche (Edmonton South): Mr. Speaker, this is a very difficult debate for any member to intervene in. I think those of us who have been here for several years ought to take a moment to reflect that we have been through this before. The Hon. Mitchell Sharp, as president of the Privy Council, introduced a similar type of bill on December 17, 1974, and he said at that time:

—one of the most distasteful tasks for any minister is to take the lead in proposing a bill which, among other things, increases his own salary as a member of parliament and as a minister.

He was followed in that debate by a member who is well remembered and revered in this House, the great Ged Baldwin, who preceded the hon. member for Nepean-Carleton (Mr. Baker) as the House leader for the Conservatives, and he said at that time:

We are faced here with a vexing, difficult and contentious problem, that of how to persuade people to come to this House or to become members of legislatures and do the job that they should do.

Mr. Baldwin at that point added:

All over the world the light of freedom is flickering in face of the strong winds of violence and intimidation, of attempts to secure a government of the people by other than democratic means. Let us not delude ourselves.

I see the Secretary of State for External Affairs (Mr. MacGuigan) is here tonight. He made a distinguished contribution to that debate, which continued on into the early part of the next year, and he said at that time:

—I suppose no member of parliament is likely to earn the undying favour of the public by speaking in favour of this bill, but the act is that the bill as it is now before us, and with possible future modifications, is not only one which would provide justice to hon. members of this House and the other place but it is also a bill which would safeguard the public interest.

That is what this debate is about today, the public interest.

There are only a few moments left in this debate. I hope the hon. member for Sarnia (Mr. Cullen) will have an opportunity to make his contribution. In speaking to support this bill I only want to tell the government House leader that it is time members of Parliament ended this business of having to stand in the House to speak about and vote on a subject of such clearly vested interest. It is time for the government to be serious about bringing in a measure that would enable the setting up of an independent tribunal following an election, not just a tribunal of former members to advise and recommend as the McIsaac-Balcer report does, which report I support.

● (2140)

I think the government House leader, the hon. member for Nepean-Carleton and the hon. member for Winnipeg North Centre (Mr. Knowles) have done a distinguished job in bringing to this House the recommendation that we will vote on in a few moments, a recommendation which is two thirds of the McIsaac-Balcer report. I say it is time members of Parliament stopped having to vote on such a measure in which they have a vested interest. Let us have a tribunal empowered to set the standards for future parliamentarians. That is what we need. I suggest to you, sir, and the other distinguished leaders in this Parliament that we need a tribunal headed by a judge, and will include a representative of labour, of management, a former parliamentarian and perhaps others, whatever is considered appropriate.

This tribunal would be empowered by a future Parliament to set the standard, and we would no longer have this distasteful job. It is not a pleasant thing for members to have to rise in this debate. I spoke to the hon. member for Nepean-Carleton privately about this measure and he knows where I stand. I come here now and say publicly in support of what I said to him privately as a member of this House for nine years, with some experience, and as a father of five children, three of whom were in college at the same time, and as one who attempts to devote his full time to being a member of Parliament, but as one who does not dare to complain. I consider it an honour to walk onto this floor every day that Parliament is assembled. However, at the same time we have to recognize the realities of life.

I say to you, sir, it is absolutely essential that members of Parliament can continue to come here in a full-time capacity and not have to depend on previously acquired wealth in order to maintain their existence in this place. This, sir, is a place of the commoners. A former leader of this party, the great Robert Stanfield, used to say: "You have to remember, this is a place of the commoners". I say to you, Mr. Speaker, if you want that to continue, you must enable people of ordinary means to come into this establishment and stay here.

I think this reasonable proposition put forward tonight by the combined endeavours of the House leaders has enabled us to come to this point where we are about to vote, and as distasteful as this vote is, let us proceed with it. I am looking down the road to a younger generation and I want people to be able to come in here, people who have some beliefs and who want to be able to stay here. I think it is absolutely essential for world order, for the wellbeing of Canadians and for the democratic system that we have a system of fair compensation, which is not by any means rewarding—and we know that the McIsaac-Balcer recommendations are not rewarding; they are compensatory. We say it is essential to maintain that kind of fair, equitable and stable system, not on behalf of the members who happen to be here now, but for those who will be here in the future. That is the reason I have come here tonight to make this address.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): It being 9.45 o'clock, pursuant to order made earlier this day, it is my duty to interrupt the proceedings and put forth every question necessary to dispose of all stages of Bill C-83. Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time, considered in committee and reported.

Hon. Yvon Pinard (President of the Privy Council) moved that the bill he read the third time and do pass.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Pinard) which was agreed to on the following division:

Senate and House of Commons Act

● (2150)

(Division No. 81)

YEAS

Messrs.

Althouse	Daudlin	Huntington
Andre	Dawson	Irwin
Anguish	Deans	Jarvis
Appolloni (Mrs.)	De Bané	Joyal
Axworthy	de Corneille	Kaplan
Bachand	Demers	Kempling
Baker (Nepean-Carleton)	Deniger	Kristiansen
Beauchamp-Niquet (Mrs.)	Dick	Lachance
Bégin (Miss)	Dion	Lajoie
Benjamin	Dubois	Lalonde
Berger	Duclos	Lambert
Blackburn	Dupont	Lamontagne
Blais	Dupras	Lapointe (Charlevoix)
Blaker	Duquet	Lapointe (Beauce)
Blenkarn	Epp	Lefebvre
Bloomfield	Erola (Mrs.)	Lewis
Bockstael	Ethier	Loiselle
Bosley	Evans	Lonsdale
Bradley	Fleming	Lumley
Breau	Forrestall	MacGuigan
Broadbent	Fox	Mackasey
Campbell (Miss) (South West Nova)	Frith	MacLaren
Campbell (LaSalle)	Garant	Malone
Cardiff	Gass	Maltais
Chrétien	Gendron	Marceau
Clark (Yellowhead)	Gingras	Massé
Collenette	Gourd (Argenteuil-Papineau)	Masters
Comtois	Gourde (Lévis)	Mazankowski
Cook	Gray	McCauley
Corbin	Guilbault	McCuish
Cosgrove	Gurbin	McGrath
Côté (Mrs.)	Halliday	McKnight
Cousineau	Hargrave	McLean
Crouse	Hawkes	McMillan
Cullen	Hees	McRae
Dantzer	Herbert	Miller
	Hervieux-Payette (Mrs.)	Munro (Hamilton East)
	Hnatyshyn	Nicholson (Miss)
	Hopkins	Nystrom
	Howie	

Messrs.

Ogle	Roberts	Tardif
Olivier	Robinson (Burnaby)	Tessier
Orlikow	Robinson (Etobicoke-Lakeshore)	Thacker
Ostiguy	Roche	Thomson
Ouellet	Rose	Tobin
Paproski	Rossi	Turner
Parent	Roy	Veillette
Parker	Savard	Waddell
Patterson	Schellenberger	Watson
Pepin	Scott (Victoria-Haliburton)	Weatherhead
Pinard	Shields	Whelan
Portelance	Smith	Wilson
Prud'homme	Speyer	Wise
Reid (St. Catharines)		Wright
Reid (Kenora-Rainy River)		Yanakis
		Young—159.

NAYS

Messrs.

Blaikie	Knowles	Skelly
Caccia	Manly	Stevens
Gilchrist	Murta	Taylor—10.
Hovdebo		

[*Translation*]

Madam Speaker: Motion carried, bill read the third time and passed.

Motion agreed to.

● (2220)

[*English*]

Madam Speaker: Far be it from me to want to anticipate the adjournment of the House, but I thought this evening was as good a night as any to have a reception for hon. members in Room 16.

Some hon. Members: Hear, hear!

Madam Speaker: The House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 10.19 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, July 10, 1981

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

IMPACT OF WINE IMPORTS ON CANADIAN INDUSTRY—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity. Whereas lower-priced imports have, within the last few months, increased by 11 per cent and the market for Canadian wine products has declined by 6 per cent; whereas foreign subsidies on one side and weighted tax measures on the other threaten the serious erosion and the potential collapse of the Canadian wine industry, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That the Ministries of Agriculture, Revenue, and Industry, Trade and Commerce combine their resources in an investigation of the serious injury being done the Canadian wine industry from low-priced imports, which, in the instance of one country, borders on dumping.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

OMISSION OF REFERENCE TO ENVIRONMENTAL RIGHTS—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Yesterday, during debate on a motion by the hon. member for Davenport (Mr. Caccia), speakers from all parties supported the principle of an environmental bill of rights. Since the Minister of the Environment himself supported the motion during his speech, and since the same minister has special responsibilities connected with the government's constitutional resolution, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of the Environment explain fully to the House why the government's proposed bill of rights, while addressing almost every other subject under the sun, contains not a single reference to environmental rights.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

MINISTER CONGRATULATED ON EFFORTS TO INCREASE FUNDS—MOTION UNDER S.O. 43

Mr. David Berger (Laurier): Madam Speaker, I rise under Standing Order 43 to seek the unanimous consent of this House to put a motion on an urgent matter.

Since the Government of Canada yesterday approved an additional increase of $20 million in the budget of the Natural Sciences and Engineering Research Council, which means a 23.9 per cent increase with the inclusion of amounts already granted, and since the cabinet approved the major policies in the five-year plan proposed by the National Research Council, I move, seconded by the hon. member for Montreal-Mercier (Mrs. Hervieux-Payette):

That the House congratulate the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) for these major initiatives which will increase to 1.5 per cent the portion of the gross national product allocated to research and development.

Madam Speaker: It is not customary to congratulate ministers for what they do.

* * *

[*English*]

HUMAN RIGHTS

SOUTH AFRICAN APARTHEID—THREAT TO 1982 COMMONWEALTH GAMES—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, this motion under the provisions of Standing Order 43 concerns a forthcoming tour of New Zealand by a South African rugby team. It may therefore sound frivolous, but I assure the House it is not. Unless the tour is cancelled, a Black African boycott of next year's Commonwealth Games in Australia is a distinct possibility.

S.O. 43

In 1966 both Canada and New Zealand signed the International Convention on the Elimination of All Forms of Racial Discrimination, which obliges the signing nations to refrain from engaging in such exchanges with South Africa. Under Article 22 of the Convention, if any signator to the agreement participates in such an exchange, any other signator to the agreement can apply to the World Court in The Hague for interim protection or injunction against such a tour.

I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That Canada support the objections to the proposed tour by the New Zealand Human Rights Commission and give this racist issue international exposure by seeking an injunction at The Hague.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PORTS

DELAY IN SIGNING CONTRACT FOR WORKS AT PRINCE RUPERT, B.C.—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, arising from the reported two-month delay in the awarding of the contracts for the causeway access and site preparation at the Port of Prince Rupert. The tenders closed on July 7, 1981. The two-month delay will mean that work will not commence until September, when adverse weather conditions will surely delay the completion of this important project. Therefore I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of Transport personally intervene so the work may begin immediately on this long promised facility at the Port of Prince Rupert.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

SUGGESTED DEFERMENT OF PROPOSED CUTBACKS IN SERVICE—MOTION UNDER S.O. 43

Hon. Don Mazankowski (Vegreville): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Given the government's intention to reduce rail passenger service drastically in this country simply by cabinet edict and without the consideration of the Canadian Transport Commission, and since this will seriously affect millions of Canadians and numerous communities, particularly in those areas where adequate alternative services are not available, and since VIA Rail was never properly constituted through the parliamentary process as determined by the Standing Joint Committee on Regulations and Statutory Instruments, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the government defer any passenger service cutbacks and that a VIA Rail Canada Act be presented to this House in the fall at which time its mandate, objectives and regulatory mechanism and route structure can be fully debated and considered by Parliament.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

ENERGY

IMPERIAL OIL PROJECT AT COLD LAKE, ALTA.—STATEMENT MADE BY MINISTER OF ENERGY, MINES AND RESOURCES—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas Imperial Oil spokesman Glenn Rainbird said yesterday, "Despite Imperial's continued interest in the Alberta oil sands, it will take two years to get the Cold Lake project back on track, if it is resurrected", and whereas, in an interview on "Canada AM" this morning, Mr. Arden Haynes, president of Esso Resources Canada Limited, Calgary, said it will be 18 months to two years before Imperial would be able to reassemble its research and work teams in order to restart development at Cold Lake which was suspended yesterday, I therefore move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House direct the very righteous Minister of Energy, Mines and Resources to retract this statement of yesterday that the postponement at Cold Lake does not mean a delay of up to two years, or that he stand in his place and tell this House who is telling the truth, the spokesmen for the company or the minister.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

STATUS OF WOMEN

ACTION TO INCREASE FEMALE REPRESENTATION IN HOUSE OF COMMONS—MOTION UNDER S.O. 43

Mr. Al MacBain (Niagara Falls): Madam Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the participation of women in politics, commerce and the professions for more than 1,000 years has been and remains unequal when compared to that of men; and whereas this state of affairs will tend to continue unless and until the representation of women in the seats of political power is more or less equal to that of men; and whereas, in the troubled times that lie ahead, for selfish reasons alone, if not for the noblest of reasons, it is imperative that we no longer perpetuate a system which tends to prevent about one-half of our people from entering the mainstream of modern society; and whereas it is acknowledged that any new program for equalization must take account of input from the grassroots level of all political parties, I move, seconded by the hon. member for Mercier (Mrs. Hervieux-Payette), and supported by the hon. member for Waterloo (Mr. McLean) and the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House unanimously accept, in principle, that it is necessary to take some innovative, direct and adequate action now to promote equal representation of women in the House of Commons by the year 1995 and that, to this end, the government be asked to appoint forthwith an all-party parliamentary task force of four women and three men to conduct an in-depth study of the matter and to prepare a report which shall delineate a course of action to promote the desired result, and that the report be tabled in this House on or before June 30, 1982.

Madam Speaker: Order, please. The hon. member is writing a book. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

RECOMMENDATION THAT GOVERNMENT MOVE TO SETTLE POSTAL STRIKE—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, in view of the disastrous effect the postal strike is having generally on the Canadian public and specifically on the small business and agricultural sector, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the government immediately proceed to obtain a settlement so that the Canadian public will have this essential mail service restored.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

HEALTH AND WELFARE

CABINET CONSIDERATION OF CHILDREN'S NEEDS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I too rise under the provisions of Standing Order 43 on a very urgent matter. In view of the fact that it is 18 months since the International Year of the Child and thousands more babies have been born into poverty, children at risk have reached school age and adolescence and many are now beyond help, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Prime Minister allocate a cabinet meeting to discuss the priority needs of Canada's children and that recommendations from the reports presented to the health and welfare committee and tabled in this House on Wednesday be discussed, in particular the recommendation

(1) to establish a children's bureau,

(2) action to appoint a minister to be responsible for children, and,

(3) action requiring all federal departments concerned with children to act on the recommendations of these reports.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

FITNESS AND AMATEUR SPORT

CONGRATULATIONS TO ORGANIZERS OF 1981 CANADIAN SUMMER SPECIAL OLYMPICS—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a motion to move under the provisions of Standing Order 43 on which I have consulted with all parties. The city of Ottawa will be hosting the 1981 Canadian Summer Special Olympics from July 16 to July 19. Seven hundred fifty mentally retarded athletes from across Canada will be competing in track and field, swimming, bowling, and floor hockey. I believe the House should encourage these special games and, if that is the case, I would like to move, seconded by the hon. member for Ottawa Centre (Mr. Evans), and I know as well by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House congratulates the sponsors and organizers of the 1981 Canadian Summer Special Olympics and extends its best wishes to the competitors for success at these games and at the subsequent International Games in 1983.

Madam Speaker: I am sure members of the House will want to express those sentiments by their applause.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

COMBINES

URANIUM CARTEL—ADVICE TENDERED BY MR. JUSTICE DAVID HENRY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Justice in his capacity as the Attorney General of Canada. We now know, on the admission of the Prime Minister, that the government became aware in 1975 that the uranium cartel could be impacting or, indeed, could have the effect of fixing prices in Canada. We know as well that the combines investigation did not start until two years later. Did Mr. Justice David Henry, in his capacity as director of combines, offer advice to the government to the effect that one of the consequences of the international cartel could be the fixing of prices in Canada and, hence, the breaching of the Combines Investigation Act? Did he get that advice? We know that at least one of the client groups of the cartel received similar advice from Mr. Justice Willard Estey when he was in practice, and if that advice was given to the government, what action, if any, did the government take?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not know any facts on this question. I have received, as I said, a report from Mr. Bertrand, who, with some lawyers, studied this problem for three or four years. They have made a recommendation to me. As I have said earlier to the House, I have accepted the recommendation of Mr. Bertrand. I have hired the same lawyers he hired, and I have initiated actions in the court on the cartel and on the illegality, if there was some, and now the matter is before the court to be decided.

On the question of the advice from Mr. Henry, who was the director before Mr. Bertrand, I do not have any knowledge of it, and it is not related to the accusations which are before the court and which have to be disposed of by the court in the future.

Mr. McGrath: Madam Speaker, the minister seems to be very selective in what he remembers and what he does not remember.

ACTIONS OF DEPARTMENTAL OFFICIALS

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to ask the minister a supplementary question. In terms of the charges which have been laid and considering the fact that one of the two named unindicted co-conspirators was an assistant deputy minister in the Department of Energy, Mines and Resources, did the minister in his capacity as Attorney General satisfy himself that the deputy minister and the former minister were not involved in this conspiracy? Indeed, it is inconceivable that an assistant deputy minister would act without the advice and consent of his deputy and his minister.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I am satisfied that there was an inquiry which lasted for four years and that there was a report to Mr. Bertrand, who made a report to me. I have hired the same lawyers, and both Mr. Bertrand and these lawyers, who are the special prosecutors in the case, have recommended to me that action be taken against six companies, and I have done that. The unindicted co-conspirators are not indicted, so that means they have not been guilty of anything, according to that report. They have been named. This is not unprecedented. In three other cases before, there was the same type of classification of unindicted co-conspirators. It is a technique which has been used in these cases in order to facilitate the development of cases before the court. However, when you are named like that you are not a conspirator and you are not an accused. I am satisfied the report of the investigators is thorough, and I have accepted their recommendation.

• (1120)

REQUEST FOR RELEASE OF BERTRAND REPORT

Hon. James A. McGrath (St. John's East): Madam Speaker, those who are sitting in jail convicted and sentenced for conspiring in the dredging scandal will draw very little consolation from what the minister is saying. But the minister can help himself and the House by releasing the report. Given the fact that the "gag" rule was put in place to protect Canadians and Canadian corporations from United States law, and that these individuals and corporations can now no longer claim the legal principle of coming to the court for protection with clean hands, why does the minister not now lift the "gag" rule since these people it was intended to protect are now charged under the Combines Investigation Act? Why does he not lift the "gag" rule and release the Bertrand report? Otherwise we could draw only one conclusion, that is, that the minister wants to cover up why they did not act between 1975 and 1977.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think the hon. member uses exaggerations in his language quite regularly, but I should like to say that I explained to the House some time ago that the "gag" rule does not apply to Canadian cases within the Canadian law. There was a ruling on that by the appeal division of the Federal Court. I quoted the case a few days ago. If the hon. member looks back at the record, he will see that I said that, according to my judgment, if some of those documents can be used in the court the "gag" rule would not apply because it is not in relation to international jurisdiction but it is within Canadian jurisdiction. That is the advice I have.

When the case will be in front of the court, the lawyers will make their case, the judges will rule, and the government will be faced with the problem at that time. But I think the "gag" rule was applied so that the Canadian documentation would not be used in other nations against the Canadian interest.

PROVISION OF LEGAL COUNSEL FOR OFFICIALS NAMED IN BERTRAND REPORT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary question is also directed to the Minister of Justice. It relates to the uranium cartel. There is a widespread belief across the country that the Attorney General, in the terms of laying his charges, is in effect hanging out public servants to dry, so to speak, and not possibly fulfilling his responsibility of having joined or named as unindicted co-conspirators other people who had positions of political responsibility. In the interests of determining exactly where the government stands with respect to these public servants who were in the Department of Energy, Mines and Resources, reporting to a deputy minister and to a minister who is no longer with us, does the government intend to engage counsel on behalf of Mr. MacNabb and Mr. Runnalls for the purpose of the hearings and of the information and the charges which were laid against the alleged conspirators in the cartel case? Will the government be providing counsel for these people?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have not received any such request, but Mr. MacNabb and Mr. Runnalls have not been accused. They are not accused. I do not know whether they need some legal advice. I have not received any request from them. They have been named as unindicted co-conspirators, a technique which has been used in three different cases before. This is the first time that there are public servants in that position. I want to repeat that they are not accused. If they are requesting some legal advice of me—and I have not received any such request—I will certainly study the case.

RESPONSIBILITY FOR ACTIONS OF DEPARTMENTAL OFFICIALS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I am sure that the people who are named in this particular information will take very little comfort from the position taken by the Minister of Justice. In other words, he is not quite sure what he will do with respect to providing counsel. This only goes to underline the fact that they are being hung out to dry.

With respect to the Bertrand report, the minister will know with his legal training that it is one of the items in which demand for particulars could be obtained in the criminal proceedings. In fact the prospect is that the report could be public in the course of these proceedings. Why does the minister not allow the Bertrand report to be made public? Why does he continue to keep this matter under wraps? Why does he insist, for example, on not having the matter reviewed by the attorneys general of the provinces, independent of counsel who helped prepare the report and who naturally will have a particular interest with respect to the kinds of charges which are laid?

• (1125)

There is a principle here of ministerial responsibility, which the minister does not understand, traditional to our parliamentary system. The minister must take responsibility for the acts of public servants. What is the minister's position with respect to—

Mr. Lalonde: What about the rights of the defendants?

Mr. Hnatyshyn: —Messrs. MacNabb and Runnalls? Did they act without the authority of the government, or is it the position of the government that they acted with authority?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): I will have a little bit of a problem in replying to all those statements, but I would like to say that I have been discharging my responsibility as Attorney General. It is a quasi judicial capacity, as was stated by Senator Flynn when he appeared in front of the committee at the time the other side was forming a government. In the matter of transportation, when there was some argument about consultation with ministers and so on, he took full responsibility, as I am doing.

The Bertrand report is the documentation that will be used by the prosecutors in court in terms of evidence. At that time, according to the inquiry lawyers, they will use some elements of that material to make sure they win their case against the six corporations indicted. I do not want to jeopardize the position of the prosecutors in that case. That is their case, they will handle it in the courts. Some or all of it will be in front of the courts; but it is their case. It is like any other report from the police or reports in other cases of a similar nature in the past. These reports are for the Crown to use in their prosecution, and I will keep it that way.

* * *

POST OFFICE

POSTAL STRIKE—COMPOSITION OF GOVERNMENT NEGOTIATING TEAM

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board. As the whole country knows, on Monday we will have experienced two weeks of a postal strike which has been a great inconvenience to the country, has meant a great financial loss particularly to small businessmen, and most of all has adversely affected the workers involved because they experience a total loss of income.

Since the striking workers have made a significant conciliatory gesture by stating they would go back to the bargaining table right away if the government has Mr. Michael Warren join its negotiating team—that is the only condition now—I ask the minister is the government prepared today, as an important step to getting the postal service running again, to agree to that request?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first let me say that I know we all share concern about the impact the postal strike is having across Canada. I might also say that we have at all times been ready to sit down and negotiate—the team is there—without any preconditions whatsoever. I have of course encouraged Mr. Parrot to do just that.

I might say that I received a letter from Mr. Parrot yesterday which suggested we did not have negotiators with authority at the table. I intended to clarify that with Mr. Parrot, and I had the opportunity of doing so during a telephone conversation yesterday afternoon. I pointed out that no matter who is at the table, they would have the same authority, and our team has the authority to reach a settlement with CUPW. I hoped to satisfy him on that point. I then suggested that we should put repesentatives together to see how the parties could get back at the table, and I specifically named the most senior member of our department in charge of collective bargaining across the public service, Mr. George Orser, for that purpose. I went even further and said we would send Mr. Orser to the bargaining table.

Mr. Parrot called me last night to advise me that this would not be acceptable. I received a letter this morning. He does not make reference to those conversations, but he again indicates he would like to have Mr. Warren at the bargaining table. This puzzles me because Mr. Warren can add nothing to these negotiations and, as I think we all know, there are concerns on our part with respect to having Mr. Warren at the bargaining table. We expressed reservations. We have not yet closed that door, but we are interested in the long-term health of the Post Office and we do not think Mr. Warren's presence at the negotiating table is likely to help that come about.

• (1130)

POSITION TAKEN BY GOVERNMENT

Mr. Edward Broadbent (Oshawa): Madam Speaker, the postal workers, as everyone who has been following the situation knows, made a major concession when they withdrew their insistence that the conciliation report recommendations be accepted before going back to the bargaining table. That was a major concession by the union involved.

Since Mr. Warren will, in fact, become the new head of the Post Office when it is re-established as a Crown corporation and the postal workers are simply saying have him there taking part in these negotiations, why is the government holding back? Surely we want the postal service restored in the country. The union wants a settlement, obviously, because it has withdrawn a certain precondition. Why is the government so reluctant to be reasonable?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I certainly take issue with that statement. Not only are we being as reasonable and as accommodating as possible in the circumstances—we want to negotiate—but the union wants to negotiate who the negotiator is going to be. Mr. Warren will be the chief executive officer of the Crown corporation. Whether he will elect, at that time, as chief executive officer to go to the bargaining table with all the unions of the Post Office, which would be most unusual, that would be his decision as chief executive officer. The mandate that he would then have would be a mandate that would be established by Mr. Warren, presumably in consultation with his board of directors. But he can only enter these negotiations with the government mandate.

I might say to the Leader of the New Democratic Party that the decision not to send Mr. Warren to the negotiating table is not one I am taking personally as President of the Treasury Board. I have expressed the concerns of the government because the question has been addressed to me. I think it is clear that this is a matter of concern to the government with respect to future operations of the Post Office itself.

REQUEST FOR EARLY DECISION ON PARTICIPATION IN NEGOTIATIONS BY PRESIDENT DESIGNATE OF NEW CROWN CORPORATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, with that in mind I will put a question to the person who is directly responsible, namely, the Postmaster General. I will ask him a related question, because the President of the Treasury Board has once again chosen his words with care. He has not closed the door to Mr. Warren's participation. Considering that, considering the fact that the postal workers would like Mr. Warren in attendance, and considering there is an intended recess coming, we want the negotiations back on track before we all go off to do other things.

Some hon. Members: Oh, oh!

Mr. Broadbent: We are not in favour of back to work legislation like some people in this House who preach the right to strike but oppose it once it is exercised.

Some hon. Members: Oh, oh!

Mr. Broadbent: We want negotiations.

Mr. Beatty: You got your raise; now you want to go home.

Mr. Broadbent: Is the minister prepared to say that during the course of today the government will reach a final decision as to whether or not Mr. Warren can participate in these negotiations? Will the government make its final decision known before this day passes?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I think it is important, and all members will understand, that we want Mr. Warren to start out with the clearest and nicest possible situation. In my opinion, he ought to get off on the right foot and under the best possible conditions. I would remind hon. members that several unions in the Post Office, including mail carriers, superintendents and postmasters, saw it that way and did not ask for Mr. Warren's assistance at the bargaining table

when they signed their collective agreement recently. I deplore that requirement on the part of the inside postal workers but, in a spirit of co-operation and anxious to break the deadlock, my colleague did not close the door. He did not say no, but I think that before saying yes the government would like to have assurances from the postal workers and from Mr. Parrot himself with respect to the true role that Mr. Warren might be expected to play in the next few hours and the next few days.

Unfortunately, in his letter to my colleague, the President of the Treasury Board, Mr. Parrot is much too vague about Mr. Warren's participation and eventual role. And before jeopardizing the significant work which Mr. Warren might do within a few months as head of the new Canada Post Corporation it would be imperative that those points be clarified with Mr. Parrot or one of his spokesmen, as had been suggested by my colleague, the President of the Treasury Board.

* * *

INDIAN AFFAIRS

SALMON FISHING CONFLICT IN QUEBEC—INQUIRY RESPECTING DATE OF MEETING WITH CONCERNED PARTIES

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It deals with the current situation in Quebec with regard to salmon fishing.

As the Prime Minister of Canada has asked that a meeting be held in the fall with the Indians, which invitation the latter have accepted, I myself got in touch with the Attikamek-Montagnais council who have agreed to meet with the Canadian government. The Indians would like the minister to say exactly when this meeting will be held, and who will set the date for it. I should also like to ask the minister to tell us whether there has been any consultation with the Quebec government with a view to dealing directly with the dispute involving the Indians. Again in this connection, Madam Speaker, I should like to know whether or not the Department of Indian Affairs and Northern Development is directly in contact with Quebec Indians concerning that conflict.

[*English*]

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would say that my officials and staff have been in touch with the chief at Restigouche this morning. He indicated that at this stage he might be prepared to compromise on the situation in some way to resolve this troublesome dispute following his conversation with the Premier of Quebec yesterday. We are keeping in touch with the chief to find out that exact dimensions of his compromise and to ascertain whether over the weekend or at the beginning of next week we might finally find a solution to this matter.

ENERGY

IMPERIAL OIL PROJECT AT COLD LAKE, ALTA.—MINISTER'S STATEMENT ON BLACKMAIL

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday in response to a question regarding the cancellation of the $12 billion Cold Lake heavy oil project, the minister said that the government would not be blackmailed by any oil company. Does the minister believe that Imperial Oil is blackmailing the government? If so, how?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, when I made that statement, I was replying to a member of the Conservative party who asked that we reach an agreement. The implication was that we should be ready to sign any agreement, at any price, at any cost, to get that project back on the rails.

Mr. Epp: No.

Mr. Lalonde: I indicated that we were not ready to do that and that this government will have to bear in mind the interest of Canadian consumers and the interest of all parties concerned. This government is not ready to buckle under any particular threat of suspension or cancellation of any project just to sign anywhere where any particular company would wish us to sign. That is our position and it remains our position. Our interest is to have a fair deal for the producing provinces, for the people of Canada and for the industry, but not any deal.

Mr. Beatty: You are not getting any deal either.

QUERY RESPECTING OIL SELF-SUFFICIENCY TARGET FOR 1990

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I think we all feel the same way about this. But I say to the minister he is blackmailing the people of the country with the negotiating stance that he has taken.

Some hon. Members: Hear, hear!

Mr. Wilson: Employment in the manufacturing industry today has fallen by 26,000 jobs. Here is an opportunity to reverse that downward trend and to get jobs back into Ontario and Quebec as a result of this project.

Yesterday the minister also said there is no justification to conclude that the decision announced yesterday meant it would take two years to start the project again. Arden Haynes, president of Esso Resources, said quite specifically on the program "Canada AM" that it would take a year and a half to two years to start the project again. Since the minister clearly misled the House, I ask him today to reserve his position and state clearly that that is the case. Because of the casual attitude which the minister has taken with regard to the cancellation of these huge projects, can he also advise the House whether he believes that the Cold Lake project and the

Alsands project are not now necessary in order to achieve oil self-sufficiency by 1990?

• (1140)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I said in the House yesterday that there does not appear to be justification for that conclusion that it would take two years to start the project, certainly not from the discussions I have had with the president of Imperial Oil. What Mr. Arden Haynes said this morning is, indeed, along the same lines.

Mr. Wilson: He said a year and a half to two years.

Mr. Lalonde: That is a minimum—not two years for sure. Maybe another official will come along next week and say maybe it will be nine or 12 months. I have seen this happen before. My statement stands.

As far as "the casual attitude" of the government is concerned, Madam Speaker, I remind the opposition that this government has placed $40 million in this deal in order to ensure that the work would reach a stage where it could be started again as soon as we reach an agreement. This is a contribution which has been made by this government, one which has been greater than anyone else.

As far as the importance of those projects is concerned, we want to pursue all options. We want to make sure as far as possible that every project will contribute to self-sufficiency in this country. That has been our policy. We think that the completion of those tar sands projects will be very helpful in achieving self-sufficiency. But again, I do not think we should be ready to ask the people of Canada to pay any costs which the companies may ask us to pay in order to achieve that end. That is what we are fighting for at the present time. I think the people of Canada support this position rather than the position being put forward by the opposition.

Some hon. Members: Hear, hear!

* * *

SMALL BUSINESS

REQUEST FOR EXPANSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Mr. Otto Jelinek (Halton): Madam Speaker, in the absence of the Prime Minister, the Minister of Finance, the Minister of State for Finance, the Minister of Industry, Trade and Commerce and the Minister of National Revenue, you would think the economy was booming, Madam Speaker. I therefore address my question to the Minister of State for Small Business.

On Monday of this week the Minister of Finance announced a commitment made by the chartered banks to increase their lending under the Small Business Development Bond program by $800 million. This, of course, was a commitment already made by the Canadian Banker's Association some weeks ago, along with other proposals which the government has refused to consider. Would the minister now make a more meaningful commitment and expand the Small Business Development Bond program to include provisions to finance inventory and receivables for all small businesses, incorporated and unincorporated, keeping in mind the increase to $1.6 billion by the banks, and the banking community's obvious co-operation?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, it is easy to make such suggestions, but I would like to say to the hon. member that an amount of $1.6 billion, such as announced by the Canadian Bankers' Association, is not an insignificant amount which you can dismiss offhandedly by saying that it is not enough. It is certain that there is never enough money to satisfy all the needs which occur at the same time. However, if we add to the $1.6 billion which the banks will make available to small businesses the financial commitments which other financial institutions have already made within the Small Business Development Bond Program, we come to a figure of over $2 billion, Madam Speaker, which will be injected in the Canadian economy for the development of small businesses.

Yesterday morning, during a press conference held by the Canadian Federation of Independent Business and the Canadian Bankers Association, Mr. McIntosh indicated that as a result of a survey of the banks in the Association, about $250 million would be allotted specifically to small businesses in financial straits. I believe that these are extremely important measures for small businesses; if well used, these funds will be of great service to this important sector of our economy.

[*English*]

REMITTANCE OF TAXES BY SMALL BUSINESSES

Mr. Otto Jelinek (Halton): Madam Speaker, not only is the minister and his government unwilling to reduce the burden of high interest rates on the small business community but the problems of that community have been further compounded by their refusing to deal with the postal strike. Therefore, at this time, will the minister at least take steps to allow small businesses to suspend remittance of employee income tax deductions, pension contributions and UIC premiums until full postal service has been restored? Surely the government cannot stop cash flows on the one hand by allowing the post office strike to continue, while on the other hand continuing to insist on the remittance of funds to the federal treasury by the already hard hit small business sector of this country.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, my colleague, the Minister of National Revenue, has already indicated in the House that he would do everything in his power to have

refunds sent to individual and corporate taxpayers. My colleague, the Minister of Supply and Services, has not only implemented throughout Canada a delivery service for social benefit cheques, but he and this Department would also like to use this system for government purchases from Canadian businesses so that the payments can be made as quickly as possible. I think that it is uncalled for to say that we do not want to settle the postal strike, that it is misleading the House and Canadians, and that it is quite unacceptable. Not only have the President of the Treasury Board and the Postmaster General maintained the negotiating team at all times, but like my colleague, the President of the Treasury Board, I am myself in daily contact with the Canadian Federation of Independent Business, the Canadian Association of Small Businesses and other groups of small businesses in Canada to try to find a way to help them to get through this difficult period.

* * *

[*English*]

NATIONAL PAROLE BOARD

RECOMMENDATIONS IN NUFFIELD REPORT RESPECTING POLITICAL APPOINTMENTS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. As the minister knows, this week he made public the Nuffield report, the report of the working group on conditional release. That group unanimously urged that there should be no further political appointments to the National Parole Board, appointments such as those of former Liberal MPs Gaston Clermont, Prosper Boulanger, and defeated Liberal candidate Anne Cools. Will the minister confirm that, in fact, he received this report in March, well before he reappointed Anne Cools to the National Parole Board in May and well before he appointed defeated Liberal MP. Simma Holt to the National Parole Board in June, ignoring the recommendations of this important working group? Why did he ignore these recommendations and engage in such blatant political pork-barrelling?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, in fact I had received that report. It has been made public for the gathering of public reaction. Anyone who can read the report will see how grossly the hon. member opposite has exaggerated the recommendation of the commission, which merely amounts to a suggestion that there is a danger in having too many political personalities appointed to the parole board. As it happens, I agree with that recommendation.

I point out that out of the 26 full-time members of the parole board only four are former members of Parliament or members of provincial parliaments. I believe the board should contain broad representation of the community point of view. These are former policemen, former prison officials, clergymen, businessmen—the widest possible variety of representation—on the board. As I indicated a few days ago, I am proud of all the members who have been appointed to the board, but particularly of Simma Holt because she is the first woman journalist who ever covered the prison beat. She has written books on prisons. She was one of the principal authors of the McGuigan report, which has been responsible for considerable reform of the penitentiary system in the last few years. I am sure she will do a very good job.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): As the Solicitor General has indicated, there are four members with impeccable Liberal credentials on the Board, two of whom were appointed after the minister received this report.

• (1150)

IMPLEMENTATION OF REPORT'S RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): I have a supplementary question, Madam Speaker. Will the minister tell this House how long he intends to consult before he intends to implement the recommendations of this important report for long overdue changes to the judicial relief system in Canada? Will he, at the very least, give this House an assurance that until those consultations are completed there will be no further appointments of a political or quasi-political nature to the National Parole Board, appointments which the working group said can affect the quality of justice delivered by the National Parole Board?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I intend to recommend new members of the National Parole Board as vacancies arise. I would also like to note that the committee itself made no recommendations for an improved or alternative system of appointments. So if I were not to proceed in the way I have so far and look to the report itself, there would be no solution for appointing people.

I think the important consideration is to find individuals of good, sound judgment who can make decisions and guesstimates, in effect, about the possibility of the individuals before them committing more crimes. I hope the public will react quickly to the recommendations contained in that report. There are nearly 100 of them. I hope that in very short order, perhaps a few months, I will be able to form conclusions about the way in which all the recommendations will be dealt with.

* * *

AVIATION SAFETY

IMPLEMENTATION OF RECOMMENDATIONS IN DUBIN REPORT

Mr. Douglas Fisher (Mississauga North): Madam Speaker, my question is directed to the Minister of Transport. Several weeks ago the first Dubin report on air safety was released and aviation groups across Canada unanimously called for speedy action on its recommendations. I wonder if the minister can tell us now what progress he has subsequently made to put the Dubin recommendations into practice and to make Canada's air safety system safer?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is indeed an amount of urgency in the question because some people have expressed worry about delays in implementing the Dubin report. On the advice of the committee, of insiders and outsiders, for the implementation of the Dubin report, I was in a position a few days ago to recommend to cabinet that it should agree with most of the recommendations of that report on the creation of an independent air safety board. Fortunately, cabinet agreed. We will now proceed to the writing of a longer paper which will be the basis for drafting legislation which we hope will be introduced in the fall to the great satisfaction of all my friends here.

* * *

NATIONAL DEFENCE

POSSIBLE CONFLICT OF INTEREST IN ALLEGED BREACH OF GUIDELINES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, may I put a question to the Minister for National Defence. This concerns the frigate program and the possibility of a conflict of interest in the case of a senior officer moving from being in charge of the patrol frigate program to the position of president of a subsidiary of one of the major bidders. On October 16, 1980, the minister told the House that he had "... asked the Privy Council to co-ordinate the review of the case." I wonder if the minister could tell the House now what the results of the review were, and what action he has taken, if any?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, in the case that the hon. member mentions, I do not remember that any issue or any memo was sent to me regarding a conflict of interest.

ACTION TAKEN BY MINISTER

Hon. Allan B. McKinnon (Victoria): Madam Speaker, this is an astonishing remark when several billions of dollars worth of contracts are involved and when one of the main movers is in possible conflict of interest. I do not question the integrity or probity of the officer concerned, but I do question the competence of the dunderheads in the Department of National Defence who approved this transfer after the commodore had gone through the routine of applying for sanction. The minister has to accept responsibility for that. I should like to quote to him from the guidelines, which appear to me to have been abridged, as follows:

> An office holder must not ... change sides to act for or on behalf of any person or commercial corporation in connection with any specific proceeding, transaction, case or other matter to which the Government of Canada is a party and in which he had a personal and substantial involvement on behalf of a department or agency of the government.

This exactly describes the case referred to. What is the minister doing about it? I do not accept the fact that he may have told the House months ago that the Privy Council was looking at it and has not bothered to enquire into it again, considering that the contract is being signed today.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the case mentioned by the hon. member is well known. If he would like to have answers to all the questions he has asked today, he can put a question on the order paper. I cannot give him all the answers here. All I can say is that there was no conflict of interest. It was in accordance with the guidelines that existed at that moment. That is all I can say now. If the hon. member wants more detail about when the individual was engaged, when he took his pension, etc., we could give all those answers on the order paper.

* * *

DOMINION CONTROVERTED ELECTIONS ACT

HEARING OF PETITIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to either the Minister of Justice or the President of the Privy Council. It relates to the exchange a week ago between myself and the Prime Minister when I raised the question of the implications of the appointment of the then member for Spadina, Mr. Stollery, to the Senate of Canada in a way that might void proceedings before a special court established to see whether Mr. Stollery had been elected legally or illegally. At the time I pointed out that that was a test case which might also call into question the right to sit in this House of the Liberal member of Parliament for Scarborough Centre and the Liberal member of Parliament for Guelph.

At that time the Prime Minister indicated, as reported at page 11173 of *Hansard*:

> I will certainly consider that suggestion. ... I believe if any minister of this government is involved in that matter, it might be the Minister of Justice or the President of the Privy Council. I will discuss the suggestion made by the Leader of the Opposition with them.

My suggestion was that the Government of Canada knows that it is in the interest of Parliament to have any question of the legality of the right to sit here of members of Parliament solved very quickly. My suggestion was that the government act very quickly to ensure that the question of the right to sit in Parliament of the Liberal members for Scarborough Centre and for Guelph be proceeded with very quickly. That question has added urgency today because Mr. Stollery now has commenced an action, or an application in the courts of Ontario, to squash the action against—

An hon. Member: Quash.

Mr. Clark: —to render inapplicable the action against him in the special court.

My question to the Minister of Justice or to the President of the Privy Council is, will the Government of Canada act, first, to ensure that the action in the case of Spadina remains open, and second, that the speediest possible priority is given to the constitution of special courts to determine whether the

member of Parliament for Scarborough Centre and the member of Parliament for Guelph sit legally in this House of Commons?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): No, Madam Speaker, because the hon. member ought to know that the government is not party to any one of the cases he has mentioned. In the case of Spadina or of the other two ridings, he ought to know that the defendants are the hon. member who was elected, the Chief Electoral Officer of Canada and the returning officers in the ridings involved. The government has absolutely nothing to do with those proceedings.

As far as we are concerned, the Leader of the Opposition can appreciate the fact that, under the circumstances, we can hardly interfere in the judiciary process. I looked into this after he raised that issue the other day. The government did not do anything to speed up the proceedings before the Senate appointment of the hon. member for Spadina. No more than before does the government intend to get involved in the judiciary process.

Now if I may I should like to point out to the Leader of the Opposition that we are not about to settle those proceedings here on the floor of the House, any more than the postal strike. The Leader of the Opposition should know that in this institution we debate subjects but that we do not get involved in the judiciary process, nor do we force our way to the bargaining table when a union has the right to strike. I hope that is perfectly clear.

[*English*]

PROCEDURE FOLLOWED IN NOMINATION OF MR. STOLLERY TO THE SENATE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I will put my supplementary question to the Secretary of State for External Affairs since it was rumoured that Mr. Stollery had first sought an ambassadorial appointment before he settled for the Senate—or to whoever is the Acting Prime Minister.

The Acting Prime Minister will know that Section 9 of the House of Commons Act reads as follows:

> No member shall tender his resignation while his election is lawfully contested, or until after the expiration of the time during which it may by law be contested on other grounds than corruption or bribery.

● (1200)

My question to the Acting Prime Minister or whoever responds for the government in cases of this kind is to ask whether that was the reason the very unusual procedure was taken of naming Mr. Stollery to the Senate prior to his resignation from this House and, if that was not the reason, to get around that section of the law in the naming of Mr. Stollery to the Senate, what was the reason for breaking the normal practice and the normal routine which is followed when members of this House are elevated to the other place? Why was a special procedure followed here? Was the simple reason to avoid and evade Section 9 of the House of Commons Act?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there was no attempt to go against Section 9 of the act referred to by the Right Hon. Leader of the Oppostion. On the contrary, if I may refer the right hon. gentleman to *Votes and Proceedings* of the House of Commons for Thursday, July 2, 1981, he will realize that when we wrote to the Speaker on July 2 we did not tell the Speaker that the hon. member for Spadina at the time had resigned. We advised that he was appointed to the Senate and that therefore his seat was vacated.

For someone who understands the law, this is very clear. There is no breach of Section 9 of the act referred to by the right hon. gentleman. On the contrary, all the procedures were well followed. There was no resignation. Once again I refer the right hon. gentleman to *Votes and Proceedings* of the House of Commons for Thursday, July 2, 1981. If he re-reads the *Votes and Proceedings* passage to which I am referring him, he will understand that in fact there was no breach of Section 9. On the contrary.

REASON FOR PROCEDURE FOLLOWED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what we have here is an admission by the government that it acted under Section 10 in this case, whereas in every other appointment to the Senate, whether it had to do with Senator Muir, Senator Haidasz, or any other senator elevated from the House of Commons in the last ten years, whenever there has been that kind of appointment there has been first of all a resignation from this House. An unusual procedure was followed in the case of Mr. Stollery. He was appointed before he resigned from the House of Commons. Was there some reason for that, other than the fact that following the procedure followed in every other case would have broken the law of Canada under the House of Commons Act?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, that is not an unusual procedure. The Leader of the Opposition is referring to previous cases. It is obvious that in the case of Senator Murray and of Senator de Cotret, those gentlemen could not hand in their resignations since they were not elected members of Parliament. But in Mr. Stollery's case, who was the member for Spadina, we did not follow an unusual procedure, we simply advised the Speaker of the House that he had been appointed to the Senate and that as a result his seat had become vacant. That is quite normal, that was the most appropriate procedure under the circumstances, and I do not think that the Leader of the Opposition is being fair when he refers to precedents because he is proving to me that Messrs. de Cotret and Murray had to resign before being appointed to the Senate.

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that messages have been received from the Senate informing this House that the Senate has passed the following bills: Bill C-81, an Act to amend the Official Residences Act and Bill C-14, an Act to amend the Diplomatic and Consular Privileges and Immunities Act, without amendment.

I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-83, an Act to amend the Senate and House of Commons Act, the Salaries Act, the Parliamentary Secretaries Act and the Members of Parliament Retiring Allowances Act, without amendment.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Madam Speaker, I have indicated to the government House leader that I would be asking him a House business question today.

My understanding is that as a first priority we will be dealing with Bill C-82, to amend the Pension Act and the Compensation for Former Prisoners of War Act. If that is the case, I want to advise my friend that we are prepared to have that bill proceed through all stages here today with one speaker per party, and hopefully it can be passed and be before the Senate before we break for luncheon.

I wonder whether the minister can tell us what his intentions are with respect to this bill and with respect to the legislative program for today and for next week.

[*Translation*]

Mr. Pinard: Madam Speaker, we always keep our word on this side of the House and we will continue to do so. Consequently we will, as indicated very clearly, first introduce Bill C-82. I thank the hon. members for Nepean-Carleton (Mr. Baker) and Winnipeg North Centre (Mr. Knowles) for having agreed to a short debate on that bill in order to send it to the Senate around 12.45 p.m. so that it may get royal assent as soon as possible. Following passage of Bill C-82, we will keep our word and introduce the motion for adjournment motion of which I gave notice Wednesday last in the hope that such motion, in accordance with an understanding but not a firm agreement last week, will be passed to allow us to adjourn today.

However, if the opposition would rather not adjourn today, we will be considering Bill C-48 at the report stage on Monday.

[*English*]

Mr. Knowles: Madam Speaker, I rise simply for the purpose of confirming the agreement we made with respect to Bill C-82. The agreement was that we would deal with that bill through all stages today and that there would be only one speaker per party. We stand by that agreement, and we trust that if their Honours in the other place pass it quickly there will be an arrangement for royal assent this afternoon, whatever else happens, so that Bill C-82 can come into effect right away.

Mr. Waddell: Madam Speaker, I wonder if I might ask the President of the Privy Council a question. He says the government intends to keep its word. He says, "We keep our word". The Minister of Energy, Mines and Resources made a deal with the hon. member for Etobicoke Centre, the Conservative energy critic, that the report stage of Bill C-48 would not be proceeded with until the fall. I wonder if the President of the Privy Council could tell the House what has happened to keeping his word on that deal.

Mr. Pinard: Madam Speaker, the government is keeping its word on that deal. I refer the hon. gentleman to the minutes of proceedings and evidence of the Standing Committee on National Resources and Public Works at page 63:5 and page 63:6, where the matter is stated very clearly. The hon. member for Edmonton East asked the Parliamentary Secretary to the Minister of Energy, Mines and Resources to be very specific and to make a commitment in the name of the government. The parliamentary secretary said, "Yes, I will speak in the name of the government," and here is what he said:

> I shall undertake that the government will not bring this bill for third reading prior to our recess if this resolution carries your positive support.
>
> MR. YURKO: Okay.

That is the agreement. What I am saying is that we will be dealing with the report stage of that bill, not with the third reading stage.

Mr. Baker (Nepean-Carleton): Madam Speaker, the hon. member for Winnipeg North Centre made reference to royal assent a little later today. Could the government House leader tell us whether arrangements have been made for royal assent later today?

Mr. Pinard: Yes, Madam Speaker.

Mr. Wilson: Madam Speaker, with reference to what the President of the Privy Council just read out, I want to inform the House that in discussions I had with the minister, which were not on the record but between himself and myself, he told me, and his words were, "The bill will not be brought back to the House until the fall". To me, that means it will not be brought back for the report stage until the fall, and so I say to the government House leader that the Minister of Energy, Mines and Resources is not keeping his word by bringing Bill C-48 forward for the report stage today.

Mr. Pinard: Madam Speaker, I usually believe the hon. member. I was not party to the discussion he had with the Minister of Energy, Mines and Resources, but I want it to be on the record that I spoke to the Minister of Energy, Mines and Resources, who confirmed to me that the only agreement he made was not to deal with the third reading stage of that

bill before fall. I believe both hon. members, but what we will be dealing with on Monday is the report stage of Bill C-48.

• (1210)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL CAPITAL ACT

AMENDMENT RESPECTING INCREASE IN MEMBERSHIP OF COMMISSION

Hon. Walter Baker (Nepean-Carleton) moved for leave to introduce Bill C-637, to amend the National Capital Act (local government representation).

Some hon. Members: Explain.

Mr. Baker (Nepean-Carleton): I want first to thank the hon. member for Ottawa-Vanier (Mr. Gauthier) for agreeing to second this motion because he is very interested in the subject as well.

The purpose of this bill is to increase the membership of the National Capital Commission by adding two commissioners who represent local government, that is to say, the chairman of the Regional Municipality of Ottawa-Carleton and the chairman of the Outaouais Regional Community. However, because this represents a new financial charge which only a minister of the Crown may initiate, the bill provides that the two local chairmen would serve without any remuneration, allowances or salary.

I would hope, as I said earlier in the House, that at some point the government would adopt this bill as its own.

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

* * *

[*Translation*]

BUSINESS OF THE HOUSE

MOTION RESPECTING SUMMER RECESS

On the order: Government notices of motion.

July 8, 1981—The President of the Privy Council:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Mr. Pinard: Madam Speaker, I intend to move this motion. It was agreed that when we reached orders of the day, we would first of all consider Bill C-82 and that I would then move the adjournment motion.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,280, 2,373, 2,512, 2,513, 2,515, 2,524, 2,525, 2,550, 2,572, 2,605 and 2,629.

[*Text*]

ILLEGITIMATE IMMIGRANT CHILDREN

Question No. 2,280—**Mr. Herbert:**

1. (a) Must the adoption of an illegitimate immigrant child take place before the child is thirteen years old (b) can a child under the age of twenty-one be sponsored as an immigrant by the father?

2. In the past five years, how many governor in council approvals were given to admit to Canada illegitimate children between the ages of thirteen and twenty-one?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1. (a) Yes;

(b) Yes. Under Section 4(b) of the Immigration Regulations every Canadian citizen and every permanent resident may, if he is residing in Canada and is at least 18 years of age, sponsor an application for landing made by his unmarried son or daughter under 21 years of age, provided that child was either born in wedlock or was legally adopted by the sponsor.

2. The Employment and Immigration Department has no readily available statistics on the number of governor in council approvals which were given in the past five years to admit to Canada illegitimate children between the ages of thirteen and twenty-one. To provide this information would require employing additional staff to help search individual files and, in addition to the high cost, it could take a considerable amount of time to answer this question.

MR. GREGORY ARGUE AND MR. ALLAN COULTER

Question No. 2,373—**Mr. McKnight:**

1. Is Mr. Gregory Argue employed by the Department of Transport or the office of the Minister of State (Canadian Wheat Board) and, if so (a) what are his duties (b) what is his salary and term of employment (c) where is he located (d) what is his relationship to the minister?

2. Is Mr. Allan Coulter employed by the Department of Transport or the office of the Minister of State (Canadian Wheat Board) and, if so (a) what are his duties (b) what is his salary and term of employment (c) is he employed on contract?

Order Paper Questions

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. No.

2. Mr. Coulter is employed on contract by the office of the Minister of State for the Canadian Wheat Board, as a special adviser to the minister on the drought situation.

(b) He is paid $106 per day, professional fees, plus expenses. Contract: June 18, 1980, to August 31, 1981.

(c) Yes.

LIDOFLAZINE

Question No. 2,512—**Mr. Cossitt:**

1. Is the Department of National Health and Welfare aware that a drug, generic name lidoflazine and trade name Angex, is about to be placed on the market in the United States?

2. Does the government have information with regard to the value of the drug for angina or other heart disorders and, if so, what is the information?

3. Was the drug tested in Canada and, if so, what are its merits?

4. Will the drug be approved for sale in Canada and, if so, on what date?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. Yes, but no "approvable" letter has been sent as yet by the U.S. Food and Drug Administration (FDA). A committee of experts in the United States recommended approval for use in angina patients who are resistant to other drugs, but asked that further studies be done to clarify a possible adverse effect (abnormal heart rhythm).

2. Yes. A new drug submission is under consideration. A request for additional data was sent to the company in 1979 however no response has been received to date. There has been a change in the last few months in the Canadian sponsor of this drug and this may account for the delay in reply to the department's questions. The department believes that the information submitted was not as complete as that made available to FDA.

3. Yes. Limited studies were done. More precise information is required to substantiate safety and effectiveness in angina.

4. It is impossible to predict at this time if and when lidoflazine will be marketed in Canada.

DILTIAZEM

Question No. 2,513—**Mr. Cossitt:**

1. Is the Department of National Health and Welfare aware that a drug, generic name diltiazem and trade name Cardiem, is about to be placed on the market in the United States?

2. Does the government have information with regard to the value of the drug for angina, arrhythmias or other heart disorders and, if so, what is the information?

3. Was the drug tested in Canada and, if so, what are its merits?

4. Will the drug be approved for sale in Canada and, if so, on what date?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. No. Diltiazem is under consideration by the U.S. Food and Drug Administration (FDA). According to the information available that agency has no definite projected date for approval as yet.

2. Yes. Preliminary data are available to us as part of the preclinical submission and published reports. This information indicates probable effectiveness in angina and arrhythmias. Further studies are being done in Canada and elsewhere.

3. Yes. The drug is being tested in Canada. Results will be evaluated when presented.

4. It can be expected to be approved barring any adverse information. The projected date for general marketing is 1982.

NIFEDIPINE

Question No. 2,515—**Mr. Cossitt:**

1. Is the Department of National Health and Welfare aware that a drug, generic name nifedipine and trade name Procardia, is about to be placed on the market in the United States?

2. Does the government have information with regard to the value of the drug for angina or other heart disorders and, if so, what is the information?

3. Was the drug tested in Canada and, if so, what are its merits?

4. Will the drug be approved for sale in Canada and, if so, on what date?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. The nifedipine submission is under consideration in the United States. The information available to the department indicates that no definite decision has been reached by the American authorities, however, the drug will probably be placed on the market within several months.

2. Yes. Preliminary data are available to the department as part of the preclinical submission and as published reports. This information indicates probable effectiveness in angina. Further studies are being done in Canada and elsewhere.

3. Yes. The drug was and is being tested in Canada. Some results were presented to the department and are being evaluated.

4. Nifedipine can be expected to be approved barring any unexpected or new adverse information. The projected date for general marketing is 1982.

DEPUTY POSTMASTER GENERAL—BILINGUALISM

Question No. 2,524—**Mr. Cossitt:**

Did the Deputy Postmaster General, Mr. James Corkery, make a recent statement to the effect that increasing numbers of postal employees are being given crash courses in the French language and, if so (a) what was the number of persons involved over the past four years and how many were employed in each province (b) what was and will be the cost or estimated cost of the program?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Yes.

(a) 200.

New Brunswick	63.
Ontario	97.
British Columbia	40.

(b) The cost of the program for the fiscal years 1977-78 to

1980-81 was $722,887. The estimated cost of the program for the current fiscal year (1981-82) is $550,000.

NIAGARA PENINSULA—FRUIT CROP DAMAGE

Question No. 2,525—**Mr. Cossitt:**

1. Is there serious damage to this year's fruit crop in the Niagara Peninsula as a result of frost and, if so (a) how many farmers or growers are affected (b) what is an estimate of the damage as a percentage of the entire crop (c) what is an estimate of the damage in dollars?

2. Does the government intend to assist those suffering considerable loss in the area and, if so, what are the details?

Hon. E. F. Whelan (Minister of Agriculture): 1. In late December temperatures fell to −25° throughout much of southern Ontario. The severe temperatures froze fruit buds and damaged peach trees.

(a) Initial crop estimates show that approximately 25 per cent of the 800 peach growers received moderate to severe damage. Producers in the western half of the Niagara Peninsula (Vineland to Stoney Creek) received the brunt of the damage. Damage to fruit trees varied by crop with peaches and cherries being hardest hit. Some losses also occurred in the vinifera type grapes. The extent of permanent damage will depend largely on the severity of next winter.

(b) Preliminary indications are the peach crop will be 75 per cent to 85 per cent of the 1980 crop. The cherries crop is anticipated to be 50 per cent to 60 per cent of the 1980 crop. However there was a bumper crop in 1980 for peaches and cherries. Over-all peach yields will be almost average and sour cherries are expected to be about 70 per cent of the normal yield of the last five years.

(c) The extent of loss in dollars cannot be determined at this time as provincial officials have not completed their annual fruit crop survey and they are therefore unsure of both this year's production and prices.

2. The policy of the federal government in providing assistance to farmers suffering serious and unavoidable crop loss is one of financial contributions to the federal-provincial crop insurance program. In Ontario, this contribution is 50 per cent of the premium cost which in 1980 amounted to some $100 million in Canada, including $13.4 million for the province of Ontario. The crop insurance program, administered in Ontario by the Ontario Crop Insurance Commission, has insurance plans covering virtually all fruit crops grown in the Niagara Peninsula. This is a well advertised program that guarantees a return of at least the out of pocket costs of growing a crop. Since crop insurance was available in the Niagara Peninsula, no additional assistance programs are considered necessary.

Order Paper Questions

EMPLOYMENT AND IMMIGRATION—CONTRACTS WITH BRONSTEIN BROS. AND GATEHOUSE LASALLE LTÉE

Question No. 2,550—**Mr. Stewart:**

Did the Canada Employment and Immigration Commission pay Bronstein Bros., Lasalle, $19,326 for bakery and cereal products and Gatehouse LaSalle Ltée, Lachine, $10,011 for miscellaneous groceries and, if so, for what purpose were they purchased and to whom were they distributed?

Hon. J.-J. Blais (Minister of Supply and Services): No. However, the Department of Supply and Services did awarded a contract on behalf of the Department of National Defence, to Bronstein Bros., Lasalle, for the amount of $27,794.75 and to Gatehouse LaSalle Ltée., Lachine, for the amount of $10,011.00. Both contracts were for purchase of miscellaneous groceries required by the DND Base at Alert. N.W.T.

MONTREAL NEUROLOGICAL INSTITUTE

Question No. 2,572—**Mr. Halliday:**

Were federal funds used in the establishment of the Montreal Neurological Institute and, if so, in what amount?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Under the Health Resources Fund Program, federal contributions were approved for the expansion and renovation of the Montreal Neurological Institute in 1978, totalling $7,262,983. To date, payments amounting to $5,040,637.72 have been made.

DEPARTMENT OF THE ENVIRONMENT—ALBERTA U-DRIVE LEASE

Question No. 2,605—**Mr. Stewart:**

Did the Department of the Environment lease cars and trucks from Alberta U-Drive valued at $58,629 and, if so (a) how many vehicles (b) for how many days (c) for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): On behalf of the Department of Environment, DSS awarded a contract to Alberta U-Drive for an amount of $58,718.75.

(a) 30 vehicles.

(b) 4479 days.

(c) To be used in the national parks during the tourist season.

EDC—CESKOSLOVENSKA OBCHODNI BANKA FINANCING

Question No. 2,629—**Mr. Jelinek:**

Was financing made available in 1978 to Ceskoslovenska Obchodni Banka, Czechoslovakia (H.A. Simons International Limited) through the Export Development Corporation for the purpose of constructing a sulphate pulp mill at Czechoslovakia's Ruzomberok and, if so, what was the full amount of the loan and what were the terms of repayment?

Hon. Ed Lumley (Minister of State (Trade)): Export Development Corporation states that: it did make financing available in 1978 to Ceskoslovenska Obchodni Banka A.S. by signing a loan agreement to finance sales of goods and services

by H.A. Simmons (Overseas) Limited to Technoexport Bratislava for a pulp mill at Ruzomberok.

The full amount of the loan was $218 million. The loan was to be repayable in 20 semi-annual instalments commencing the earlier of August 15, 1982, and the fifteenth day of the sixth month following the month of commissioning.

As to the rate of interest, in view of the intense competition that prevails among countries in foreign trade, it is not in the public interest for the Export Development Corporation to discuss its participation in export transactions or proposed export transactions. Such information would assist an exporter's competitors both foreign and domestic. Since information on bids, participation or negotiations is given by companies to EDC in confidence, the corporation, to respect that confidence, refrains until the sale arrangements are final, from discussing a deal or even from indicating that it has been approached in a transaction. EDC makes public its participation in direct lending transactions when the financing agreement therefor is signed, and, on request, in credits and foreign investment insurance cases where the exporter or investor consents to publication. If the exporter or investor has not given its consent the reply will so state. When EDC makes public its participation in direct lending transactions it does not, because of the intense competition above mentioned, publish the rate of interest, for the reasons mentioned.

[*English*]

Mr. Collenette: In anticipation of a question from the hon. member for Wellington-Dufferin-Simcoe, it is my intention to answer his two questions on Monday. I would ask that the remaining questions be allowed to stand.

Mr. Beatty: Madam Speaker, that in itself justifies our waiting until Monday. I just want to indicate to the parliamentary secretary that if he does not give the House the answers to those questions on Monday, I will.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PENSION ACT COMPENSATION FOR FORMER PRISONERS OF WAR ACT

MEASURE TO AMEND

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs) moved that Bill C-82 to amend the Pension Act and the Compensation for Former Prisoners of War Act be read the second time and referred to the Standing Committee on Veterans Affairs.

He said: Madam Speaker, it is my pleasure today, on behalf of my colleagues, to move passage of Bill C-82.

[*English*]

Last July I had the privilege of seconding Bill C-40 which was presented to this House by our late colleague, the Hon. Daniel J. MacDonald. Bill C-40 was considered to be a major breakthrough in veterans' legislation as it granted proportionate pensions to widows of disability pensioners with an assessment of 47 per cent or less. We believe that Canada thus became the only country in the world to have such a program and to recognize in such a tangible way the spouses and dependants of pensioned veterans. Almost all other countries grant widows' pensions only in cases where the death of the veteran was due to war service.

The well-being of veterans and their families has long been the concern of the government and today I am pleased to propose that we enhance Canada's proud record in this area. I am asking hon. members to approve the total elimination of the phasing in process now in place for the payment of proportionate pensions to widows.

Some hon. Members: Hear, hear!

Mr. Lamontagne: Instead of waiting for up to five and a half more years for a proportionate pension, this bill will allow some 23,500 additional widows to receive monthly payments as of July 1 this year.

[*Translation*]

I therefore ask hon. members to agree that the phase-in period for the payment of proportionate pensions to widows be altogether abolished. Instead of having to wait five and a half years to be eligible for a proportionate pension, 23,500 widows would, under this legislation, start receiving monthly benefits as of July 1 of this year.

Hon. members will recall that prior to the passage of Bill C-40 last summer, widows' pensions were payable to spouses of veterans who had died as a result of their military service. Also, widows of pensioners whose disability was considered at least 48 per cent at the time of their death were also eligible for these benefits. These benefits are still being paid; however, under this bill the proportionate pensions would be paid even if the pensioner's disability was under 48 per cent.

The speed with which the House approved Bill C-40 was quite welcome, but there was still some concern about the phase-in period for the widows' pensions. At the present time, widows of veterans with a 33 per cent or more disability pension receive monthly benefits. The Hon. Dan MacDonald and myself were concerned about the period of time which would elapse before all widows could receive their pensions. At the House Standing Committee on Veterans Affairs and during our many meetings, the Royal Canadian Legion expressed the wish to have this phase-in period amended and

even suggested that widows become eligible at 65. Moreover, the hon. member for Winnipeg North Centre (Mr. Knowles) suggested that pensions be paid immediately, at least to the widows of First World War veterans.

[*English*]

We are acting today beyond the desires and projections of all these people. The government is proposing a formula which should satisfy everyone. We are eliminating the timetable completely and all entitled widows will have become eligible for a pension as of July 1, 1981.

[*Translation*]

Mr. Speaker, the government is suggesting a formula which should commend itself to everyone. We are abolishing altogether the phasing-in period. All widows will be eligible for a pension as of July 1, 1981.

[*English*]

Looking back about a year, we should remember that Bill C-40 fulfilled the pledge made in the election campaign a couple of months earlier that, if elected, a Liberal government would move quickly to help those persons in society in the greatest need, and this should be our objective in the months ahead. I do hope that everyone in this House will be convinced of this principle.

Bill C-40 was not exclusively addressed to the needs of widows. There are other benefits for entitled veterans and their dependants. In particular, the legislation gave immediate and future assistance to over 50,000 recipients of war veterans and civilian war allowances under the age of 65.

In total, Bill C-40 represents $184 million in additional benefits for veterans and their survivors and was the most that could be attained in the financial circumstances at the time of its passage.

Now, just one year later, the government is allocating a further $41 million so that 23,500 widows and dependants can be eligible for their proportionate pension benefits effective July 1 of this year. We are eliminating completely the phasing-in period.

Hon. members will be interested to know that of the 2,300 widows it was originally estimated would be eligible for benefits by April 1 this year under the current phasing-in formula, applications have actually been received from 1,200, and of these, more than 90 per cent have been processed.

• (1220)

I would point out that the average age of entitled widows is 72 years and the total number of eligible beneficiaries is expected to remain constant over the next five years as new applicants replace those who died. Before the passage of Bill C-40, the Canadian Pension Commission had no way of knowing whether a disability pensioner below the 48 per cent level who had died still had surviving dependants years after the death. As there were no ongoing benefits, there was no need for such records.

[*Translation*]

Mr. Speaker, I would also like to thank all my colleagues in the cabinet, in the House committee and in the House who have made representations and have helped us pass this bill as quickly as possible. I believe that credit should also be given to members on the other side of the House and that my colleagues on this side have made matters easier by making representations in the proper place and at the proper time. I am very grateful for their support.

[*English*]

Now, widows and dependants of all disability pensioners who pass away are informed of their benefits under Bill C-40. The same information will be relayed in respect to the legislation I introduce today. The commission will be working with veterans' organizations and through a media campaign to inform widows of their new benefits. Members on both sides of this House have always been zealous in passing on veterans' information to their constituents and I trust members will use their householders mailings to inform their constituents of this legislation. In these ways, I hope that all widows and dependants will have the information to apply for their rightful pensions.

Honourable members, Mr. Speaker, can be confident that the Canadian Pension Commission is ready to deal quickly with the applications flowing from the legislation. The processing period will be relatively short as, unlike claims for disability pensions, there is no need for the comprehensive gathering of supporting medical and military evidence. I am confident, Mr. Speaker, that this legislation will have the support of all parties. It is further proof of this nation's resolve that veterans and their survivors will continue to receive the just and generous treatment they deserve.

Bill C-40 was ground-breaking legislation. The aging veterans' program I announced last November is another pioneering program designed to bring independence and dignity to the most needy of our disability pensioners. Bill C-82 is added evidence that this government and this Parliament continue to recognize and honour the debt owed to those who fought for Canada and who left us a heritage, the freedom and liberties we enjoy—which make this country Canada so great.

Mr. Joe Reid (St. Catharines): Mr. Speaker, for the second time this week I have the honour and privilege of rising on behalf of Her Majesty's Loyal Opposition to respond to the introduction of a bill which this time is not only to the benefit of veterans, but particularly to the benefit and interest of widows and dependants of veterans. Of interest here is the fact that Bill C-82 introduces amendments to an act passed just one year ago yesterday. If we could maintain that kind of review and update in this House with respect to all legislation, then this would be an efficient Parliament indeed and it would gain the respect of Canadians across the land.

Of course, it should come as no surprise that we on this side endorse the recommendations proposed in Bill C-82. We have recommended them for some time, and the Conservative party endorses the proposals with respect to both amendments to the

Pension Act and the Compensation for Former Prisoners of War Act. We advocated those changes and said the phasing-in period as prescribed by Bill C-40 was inappropriate for widows and dependants of veterans who were in receipt of pensions of less than 48 per cent. It was recommended that we shorten or eliminate that phasing-in period. This party took the same position with regard to widows and dependants of prisoners of war.

May I say, Mr. Speaker, that at the time Bill C-40 was being debated I had the privilege of making this comment in the House:

> Let us hope that many of them will live long enough that they will see the day when they, too, will receive the benefit of this golden anniversary year legislation.

In view of that, it gives me a great deal of pleasure to be able to say I commend the minister for the introduction of Bill C-82. With the elimination of the phasing-in period, currently a five and half year wait for some, an additional 23,500 widows and dependants of war disability pensioners will become eligible for monthly benefits as of July 1, 1981. When one considers the advancing age of the veteran population and the inflationary times we live in, the immediate availability of a pension income of this nature is a welcome necessity. Clearly the minister has not only been listening to the veterans' community, but he has been taking action following those recommendations received from the Legion and other veterans' organizations, and from members on this side of the House. For this he deserves the thanks of all of us.

As I mentioned Wednesday afternoon, Mr. Speaker, we remain hopeful that Bill C-79 and Bill C-82 will be the forerunner of still further improved veterans' legislation. Canadian veterans should not be subject to the inexcusably long periods of application reform and delays, and I gathered from the minister's comments today that some action will be taken on these. I would like to say as well that pensions should be indexed in some meaningful way so that they will not continue to be eroded by inflation.

Finally, Mr. Speaker, in my last speech I recommended amending legislation with regard to prisoner of war compensation. The hon. member for Edmonton West (Mr. Lambert) referred to this last Wednesday as a grave injustice to prisoners of war under the Compensation for Former Prisoners of War Act. I can only concur with his assessment. At present, compensation occurs in theory, not in practice. This should be corrected, and soon.

I do not feel, Mr. Speaker, that we in this House should prolong the debate. We are pleased the amendments have been brought forward today. We recognize that veterans and their widows and dependants have called for this action and we want to expedite the bill's passage so that they will receive the benefits of this legislation as early as possible. I would like at this time to confirm it is the Progressive Conservative Party's position that this bill should proceed through all stages today.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suspect I will make what for me will be the understatement of the year when I say I am pleased this bill is now before us. I congratulate the minister on getting the support of cabinet and for being in the position where he can present this bill before we adjourn for the summer recess, if indeed we are going to adjourn.

As the hon. member for St. Catharines (Mr. Reid) has pointed out, it was just a year ago yesterday that the late hon. Daniel MacDonald presented Bill C-40 for second reading. I am glad the present Acting Minister of Veterans Affairs (Mr. Lamontagne) referred to that. It was the last thing our friend Daniel MacDonald was able to do for veterans. It was an historic piece of legislation.

• (1230)

However, despite the fact that that legislation improved something which had been around for 50 years, it did leave a serious, most unfortunate gap in that it provided that many widows, more than 20,000, who were given entitlement to pension on that day had to wait for another one to six and one-half years.

As the House is aware, there has not been a week since then, when the House has been in session, that I have not found a way to get in a question as to when we were going to correct that wrong. The minister is quite right in saying that when it looked as though it was difficult to get the money for such a change, I offered various compromises. I suggested on the floor of the House, and I suggested to the minister privately, that if it was not possible to go all the way, that at least the phasing-in period could be shortened, or maybe the proportionate pension could be paid right away to the widows of veterans of World War I, or maybe an age factor could be introduced. These were just alternatives if we could not abolish the phasing-in period altogether. I am more than delighted that the minister has not brought in a half-way measure. He has gone all the way and is wiping out, as of ten days ago, all of the phasing-in period.

The minister has indicated a bit of the history of this legislation. Perhaps I might just include a repetition of some of that. Starting about 50 or 51 years ago, the Parliament of Canada did provide for pensions for widows of disabled veterans; a continuing such a pension for the widow, as of right, provided the veteran's disability rate was 48 per cent or more. That, in itself, was good for 50 years ago. However, throughout those 50 years, those interested in veterans and in thier survivors have contended that that 48 per cent cut-off was unfair.

That is what we corrected a year ago. We wiped out the 48 per cent cut-off. We said by Bill C-40 that all widows of veterans who were disabled were to be entitled to a pension, either the full widow's pension or a proportionate pension. The difficulty a year ago yesterday was that there were still clauses in the bill which provided that 20,000 of them had to wait one year, two years, three years, four, five or six years. These were older women. As the minister said today, the average age is 72.

Most of the ones who have been writing me during the last year have been 76, 78 or 80 years of age. They have been getting letters wich tell them that, yes, they will qualify in 1984, 1985 or 1986.

I am sure that my good friend, Allan Solomon, must have found the writing of those letters the most difficult thing he has had to do in his times as chairman of the Canadian Pension Commission. Incidentally, I thought I saw him in the official gallery earlier this morning. I am pleased that his term, which has expired, has been continued for a little while. I would like to see it continued for a long while, because he has done a good job. He has been not only an efficient administrator of the Canadian Pension Commission, but he has also had ideas which I know he has spread all over the place, and his innovations have played a part in many improvements, some of which I could identify if there were time, but I will not do it now. But as I say, the pleasures he has in that job did not include writing these letters to older women to tell them to apply again four years of five years from now. This is fine; all of that has been wiped out.

I remind the minister, and I hope he will not mind that I am doing it, that all of this trouble could have been saved if there had been three or four fewer Liberals or three or four more Conservatives or New Democrats in the House a year ago yesterday. Because when we got into Committee of the Whole on that bill and we got down to the clause on page 11 which provided for the phasing-in period, I was able to get the Chair to call a vote on that particular subclause. The record of that is on page 2730 of *Hansard* for Wednesday, July 9, 1980. What was the vote? It was 62 to 58.

An hon. Member: Too many Liberals.

Mr. Knowles: If a few Liberals had stayed out, or a few more on this side had been here, we could have defeated it all. I hear my friend contributing from across the way. I heard various sayings.

An hon. Member: We would have had an election!

Mr. Knowles: Oh, no, it would not have brought an election. I was even told that maybe the government would not have proceeded with the bill because of this extra money which would be required. At any rate, that is how we felt last year. It was only by a vote of 62 to 58 that the phasing-in period was kept in the legislation at all.

Well, that is all history now. I am sorry for the many thousands, though it will not be the full 23,000, who might have had it if we had had this provision in Bill C-40 last year. I am glad that the second category, the 33 per cent to 38 per cent group, got in a few months ago. However, for the rest, they are all coming in now. They all get their pensions. In some cases, they will be disappointed in the amount, because it will be a proportionate pension based on what a veteran's total income would have been from his disability pension as a married veteran. In the lower cases, the amounts are not going to be very large, but at least there will no longer be a discrimination which says that these people have to wait until 1984, 1985 or 1986.

I confess that I am never conscious when I speak as to whether the light on my desk is on or not. I am never conscious whether the camera is focused on me or not. I do not know how much the people of Canada watch; but I hope that the people who are watching us now or see us on a replay will take note of this. I hope that many of these widows will actually see what we are doing. I hope that others who are not personally interested but who know veterans' widows will tell them about it.

One of the reasons I am sure that there have not been the number of applications we thought there would be is that many of them do not know of it yet. I know that there is an advertising program by the department, or by the Canadian Pension Commission. I know that the Legion does a very good job of trying to get this information out, in its magazine and in notices in its halls across the country. In fact, women from the group which was entitled in the last year have written to ask me whether it was possible. Those were the nice letters, to be able to write back and say, "You are already covered. Send in your application to Mr. Solomon, you will get it quickly."

I just hope that we will all do everything we can to let these people know that we are passing this legislation and that from now on, as of July 1, nine or ten days ago, any widow of a veteran who had a disability pension anywhere from 5 per cent up is now entitled and will get that pension, retroactive to July 1, 1981.

Mr. McKinnon: They have to apply, though.

Mr. Knowles: That is my reason for referring to the publicity that they give. I hope that what I have said will lead people out there to tell widows that they may know that there is this bill. As the hon. member for Victoria (Mr. McKinnon) says, they have to apply. But before they apply, they have to know that it is available to them. I urge that we do everything we can to get that kind of publicity out there.

In other words, for some of us this is a much happier day than yesterday. This is a piece of legislation of which we are all very proud.

An hon. Member: We were happy yesterday.

Mr. Knowles: Not I. I congratulate the Acting Minister of Veterans Affairs (Mr. Lamontagne) for being in a position to bring this legislation before us. As he said a while ago, the Royal Canadian Legion and other veterans' organizations have had this issue right up at the top of their list. The veterans are getting older. They are more conscious of what happens if they die and leave widows. A few years ago, it was number three or four on the list of priorities. It has been number one, and now they can take that off and we can move down to number two and number three, and we will. Therefore, it is good that we are doing this. As I say, I trust that widows who are affected will find out about it, and that we will get most of those widows covered just as soon as possible.

• (1240)

This, of course, has been an interest of mine for a long time. I made a reference to it in my speech last night. I think the first time I ever felt my interjection on the floor of the House had resulted in something happening was with respect to the widows of veterans of World War I back in about 1943 or 1944, when Ian Mackenzie was the Minister of Pensions and National Health. At that time the widows of non-pensioned veterans of World War I were not covered under anything. They had not been included in the War Veterans Allowance Act, but I was able to persuade the Hon. Ian Mackenzie to obtain an order in council from cabinet to make an ad hoc allowance of probably about $25 to $30 per month to such widows, and a few years after that we got them covered under the War Veterans Allowance Act.

The acting minister is part of the process. We are not only improving things for veterans, but we are increasing the recognition of the rights of women. There has been too much tendency in the whole of mankind's history—and I say "mankind" advisedly—for women to get their rights only because of their attachment to men. The more we establish women's rights in their own right, the better it is and I am glad that we are moving in that direction.

We have agreed to put through this bill quickly with one speaker per party. As far as I am concerned, this means the one speech which each of us has made now at second reading and that when we get into committee of the whole there will be no debate. We will have the bill out of here and get it to the Senate very shortly. As the hon. member for St. Catharines emphasized, with this out of the way, the Acting Minister of Veterans Affairs must know that all the jobs are not done. There are some other things which will start to have priority. In the first place, he himself referred to the fact that Bill C-40 of last July included references to the War Veterans Allowance Act and to benefits under that act, and I quote him from this morning, "immediate benefits and future benefits".

I remind the minister that in that part there is another phasing-in process. It is not quite as serious as the phasing-in with respect to widows, but I suggest it is time he start studying that and bring in the full benefits accorded under the War Veterans Allowance Act, and that Bill C-40 be brought into play right away.

I also urge, as the previous speaker did, that he give considerable attention to facilities to speed up the handling of cases by the Canadian Pension Commission. Also I support the proposition that the formula for the rate of pensions paid by the Canadian Pension Commission should be put on a clear basis. It should not wait every three or four years to be adjusted; it should stay in a relationship to the average take-home pay of the five categories of public servants designated eight or nine years ago. If we were able last night to change the indexing formula with respect to certain other things like pay and pensions, we ought to be able to do the same for veterans, and I urge that it be done.

I am getting some signals that if I were to sit down now we would get the bill over to the Senate, get it passed, and get royal assent today. This is extremely important so that the July 1 effective date has its full meaning. On behalf of my party I give our full endorsation to the immediate passing of Bill C-82.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. Certain remarks were made by the hon. member for Winnipeg North Centre (Mr. Knowles) concerning Committee of the Whole stage, but the order made was to refer the bill to the standing committee. Is there unanimous consent to refer the bill to Committee of the Whole?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Ethier in the chair.

Clauses 1 to 3 inclusive agreed to.

The Deputy Chairman: Shall the title carry?

Mr. Knowles: Mr. Chairman, I rise on a point of order. I said that there would be no speeches but I think that Allan Solomon, having appeared for a moment, should be given a round of applause for the work he has done, just in case there is any change before we meet again.

Some hon. Members: Hear, hear!

Title agreed to.

Bill reported, bill read the third time and passed.

* * *

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Mr. Pinard moved:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

He said: Mr. Speaker, for the information of my colleagues of the opposition, we talked about royal assent earlier and arrangements have been made, since we received formal notice

from the Leader of the Official Opposition (Mr. Clark) that the adjournment motion would not be passed today; consequently, royal assent will be given this afternoon a little before or a little after 4 p.m., depending on circumstances.

As far as the adjournment motion is concerned I said earlier, Mr. Speaker, that we on this side keep our word and that we intended to move the adjournment as discussed a little earlier in the week.

I think I may take this opportunity to make a brief review of what we have accomplished during this session. All hon. members will remember that Parliament was first convened after the April, 1980 election and that we had to sit from mid-April until mid-July, that we adjourned for the summer and that we returned subsequently in the fall; we shall probably adjourn later today, in July or in August, depending on circumstances.

• (1250)

So, Mr. Speaker, I believe it falls to me as government House leader to point out the work carried out during these weeks and these months. First of all, let me congratulate all members on their regular attendance and on the earnestness and determination they have shown during these months in their efforts to act sincerely in the best interest of the nation and their constituents. I am convinced that regardless of political ideas, principles or philosophy, every member in this House is sincere. Irrespective of any political affiliation, I must recognize that in any debates held during this session, whatever opinions were expressed by members on both sides of this House, everything was done in earnest and with the intention of actually serving society rather than to destroy this nation called Canada. In these circumstances, Mr. Speaker, this is the first group I wish to pay tribute to even though it does not mean that we have completed the job if I am now extending congratulations, but I believe that after these months, since April, 1980, the members deserve congratulations and recognition for all the work they accomplished and for all the time spent doing their work and taking their responsibilities.

Mr. Speaker, since the election and since April 1980, we often meet members who could prove beyond doubt they devote 80, 85 and even more hours every week to the interests of Canadian men and women. I believe this is a fact often forgotten in the heat of action, in the heat of debate, and I believe it is sometimes important that parliamentarians and I, as parliamentary leader in any case, should mention it. Whether on the government or the opposition side, whether we favour such and such a policy or have differences of opinion on the same subject, each and every one of us devotes in all good faith 80, 85 hours of our time every week to serve the interests of our constituents to the best of our ability and to make Canada progress. There is absolutely no question about that, it is worth mentioning occasionally and it is a further reason to congratulate again every parliamentarian.

We must also think of all those people whose lives are related to our proceedings. We must not forget all the Commons staff, all those whose duties are related to those of parliamentarians, who have to adjust their way of life to the tempo of parliamentarians, and I include the media and also the press gallery people. When we sit till 10:30 p.m. they have to stay on the look-out and keep their ears open up to the last minute to report as completely and faithfully as they can what happened on the floor of the House of Commons. Accordingly, in order to adapt themselves to our parliamentary tempo, these people must follow our proceedings and neglect their family life or other occupations. This applies to the media, to the reporters on the *Hansard* staff, to the translators, it applies to all those men and women whose job it is to keep the House of Commons working smoothly, and at this time of the year, on July 10, after a very long session which started last April, these people deserve our respect, our support and our apologies to some extent, if we have to sit after today.

As for the business which has been dealt with during this period, let me say that this session has been more productive on the average than all previous sessions in the history of Canada. Let me give you only one example. I see that the Right Hon. Leader of the Opposition is smiling, and I know that it is not with malice, but he may not be aware of this fact. For over 20 years, it has never happened that the House of Commons has passed all bills related to the budget before the summer recess. This is the first time it has happened in over 20 years, and I am told that it may be the first time in 29 years. I would like to thank also in this regard his House leader, who has co-operated and contributed to this result, as well as the House leader of the New Democratic Party.

When I said earlier that parliamentarians had worked constructively and when I asked that party lines and partisanship be set aside, it was because it is indeed important for the public to know from time to time that their representatives in Parliament are doing something positive for society. The Leader of the Opposition will agree with me that the image of politicians is not at its best among the public. And what often contributes to tarnishing this image unfairly are irresponsible reactions to positive results when a statement which contains such positive aspects is made. I am not denying the right of the Leader of the Opposition to criticize and to blame us for not having tackled such and such an issue which his party considers a priority. I understand this, he is within his right and I respect that freedom. It is the very foundation of Parliament. However, when we do something positive, when we get results, when we are productive, I would also appreciate a positive reaction on his part in an effort not to deteriorate further the image of public men and women in Canadian society, because in fact, at times when parliamentarians do something positive I believe that it is the responsibility of parliamentarians themselves, and especially party leaders, not to minimize the importance of such positive results, however small they might be.

Thus, Mr. Speaker, in over 20 years, the House of Commons has never before passed all the bills related to a budget, as was done during this session. Let me enumerate them. We have had the Income Tax Act, the borrowing authority bill, the Customs Tariff Act, the fiscal transfers, the Excise Tax Act, the six day budget debate. And if I wanted to add all the bills related to the economy, I have here a list of 65 measures which as of four o'clock this afternoon will have been approved during this session, which is more than usual, and it is another positive aspect to which we shall come back later on.

During this session, we have passed more economic or financial bills than ever before in previous sessions, and I do not want to take the credit for it and I am not looking for plaudits, quite the opposite. I do not expect congratulations from the Leader of the Opposition. I do not ask for any, but what I am asking him to do is to recognize that his own House leader and the House leader of the New Democratic Party have done everything in their power to allow this Parliament to produce at least a minimum, and by a happy coincidence, this minimum represents more than what was done in previous years, and I believe that they have contributed to this result. I simply wanted to point this out. However, I have not only compliments to address to the House leaders. As much as possible, I shall avoid making criticisms, but in the areas where they deserve congratulations, no one will stop me from saying so because I am speaking quite sincerely. Going back to the month of April, we avoided a situation which was, and still is, the result of two elections in less than a year. Hon. members will remember that because of the nature of our Standing Orders—

The Acting Speaker (Mr. Ethier): Order please. I regret to interrupt the hon. member but it being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bill without any amendment: Bill C-82, an Act to amend the Pension Act and the Compensation for Former Prisoners of War Act.

[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Ethier): I have the honour to inform the House that a communication has been received which is as follows:

Government House

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 10th day of July, at 2.15 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary to the Governor General

The Honourable
The Speaker of the House of Commons,
Ottawa

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Mr. Pinard: Mr. Speaker, as I was saying, since the beginning of this session last April, 1980 in this House, we will have adopted and obtained royal assent, after what Your Honour just mentioned, to some 65 bills.

Some hon. Members: Hear, hear!

Mr. Pinard: I have the list of those bills here, but I will not read the list because it would be rather long. However, Your Honour will see that among those 65 bills there is a lot of major and most important legislation related to financial matters, related to budget, and related to other major subjects, like the Post Office, the Bank Act and others.

What I would like to make very clear at this stage in my speech before we adjourn later today, hopefully, is that during those months many people have been made to believe that we have dealt almost solely with the Constitution in this chamber during the last months. This is not the fact. This is not the truth. Let me tell Your Honour that, in fact, the Constitution has required about two months of the time of the House of Commons. The resolution on the Constitution was sent to a special committee which dealt with it during four months. Hence, altogether it is true that we have dealt with this very major and important subject of the Constitution at length and that we have spent six months on the subject; but four of those six months were spent in a committee, allowing this House to be able to deal with some other business.

What kind of other business have we dealt with? I spoke to Your Honour a few minutes ago about 65 bills. Once again, I will not read the list; but let me tell Your Honour that we had a six-day budget debate last fall. We have dealt with major bills related to the economy—the Income Tax Act, borrowing authority bills, the Customs Tariff Act, the Bank Act, fiscal transfers, the Income Tax Conventions Act and the Excise Tax Act. We had 35 allotted days related to the business of supply, and a special two-day debate on the economy just before Christmas. Everyone will remember that.

Therefore, if we add up all those days we spent in the House of Commons which were devoted to the economy and to financial matters, people in this country will realize that we have spent, in fact, much more time on financial matters and on the economy than on any other subject. That must be said very clearly. As I said earlier in my speech, it is the first time in over 20 years that the government has been able to have all the bills related to the budget adopted before the summer adjournment. That is a reality too.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): But interest rates are still at 20 per cent!

Mr. Cullen: We are going to wrestle them to the ground!

• (1410)

Mr. Pinard: There was something very positive also achieved during the session. It is related to some changes in the system. I should like to speak briefly about those parliamentary task forces that were created to deal with different subjects and to say that if, on the one hand, the experiment was very positive and very useful, on the other hand there are aspects that will have to be corrected in order to allow this Parliament still to be able to allow a number of members to be part of an action group and deal with very important subjects, at the same time not disturbing the existing system of standing committees.

[*Translation*]

You will recall, Mr. Speaker, that following an agreement between parties, we have set up task forces, parliamentary committees made up of seven members, which is much less than the normal membership of some 20 members for a standing committee of this House. What the government intended in agreeing to set up those parliamentary task forces was to enable a limited number of seven members from all regions of this country to get together and look fully into highly topical matters, and in so doing to enjoy a great deal of freedom and travel opportunities, technical advice and every facility to produce a report as little partisan as possible which would really enable the government to be acquainted with the real views of the public and those concerned on a given subject. You will recall that those committees have considered alternate energy, the handicapped, the North-South relations, the National Trade Corporation, regulatory reform, employment opportunities for the 80's as well as the renewal of fiscal agreements between the federal government and the provinces. As I said, this experience has had very positive aspects. Those honourable members have done an excellent job. They have worked in a very responsible and efficient manner. I think we can now say that in the reports of those committees, there was an input by members from all over the country, including the maritimes, western Canada and central Canada, which will give more weight to the recommendations made in those reports.

However, on the negative side, there has been an increase in Parliament's costs in order to allow those committees to do their job. The costs have increased very substantially. We know that printing costs have gone up as well as transportation and counselling costs. But I think that was worth it and that in the future we should not cut out those activities just to save money, as I think the loss would outweigh the benefits; but we should not overspend if we want to show our moderation or at least our ability for sound management and efficient control.

But the most negative aspect may have been the disruption of the present standing committee system, as such honourable members who were appointed to the task forces were also very active members of the standing committees. Because of the very long time they had to work on the task forces, they were not always able to take part in the activities of the House standing committees. So I believe we will have to look into that practical problem and try together to find a workable solution. I am quite willing to try and work out an acceptable compromise with representatives of the opposition parties to reach our objective and not place the work of the standing committees in jeopardy.

• (1420)

Offhand, I would make a suggestion subject to amendment or discussion. We might perhaps consider having sub-committees of our existing committees perform the same role, and this might be an indirect way of obtaining the same result without jeopardizing committee work. We might also require that these task forces, these sub-committees, made up of seven members or so only, be empowered to travel outside the period where the committees are dealing with the estimates, between

the beginning of March and the end of May. I submit there are two or three months in the year where all hon. members should be required to be very active in committee, to better scrutinize the Main Estimates, and outside that period we could be more flexible in order to allow these sub-committees to address matters of public interest, in small numbers, to effectively reach the same goal we had in mind for that experiment. This is what I had to say on that aspect of a new feature. Once more this year we had television. We extended it to the committee on the Constitution, which was also a first and an innovation. That experiment proved very profitable, and also very costly, but money is no obstacle to possibly trying similar experiments in the future. On the other hand, it is a matter of common sense in my view that before bringing television into the proceedings of all committees, we must first bring in parliamentary reform, especially in our committees. Television should be brought in only when we have put some order in our parliamentary procedure, especially that of our committees. Be that as it may, the constitution committee experience has been most positive, and I wish to commend all people involved with televising the debates, both in this House and in the committees, for their magnificent work at the technical level.

Madam Speaker, I see you have not yet interrupted me, so I may go on. In respect of other reforms that could be made, I have often indicated publicly in this House, during the year, in response to questions, that to me this was a priority. Some three weeks ago, on a Friday afternoon, the Prime Minister (Mr. Trudeau) in answer to opposition members stated in this House that this was one of his priorities, and I want to confirm that I am now consulting and preparing a document. I intend to consult my colleagues as soon as possible on some aspects of that reform, but I will do all I can in order that we may reach an agreement on changes that would not be too controversial at first, and in order also that we might ask a committee to very seriously but in a short period deal with that basic question of parliamentary reform. Why did we not do so during these last few months? After passing 65 pieces of legislation, discussing the Constitution for two months in this House and four months in committee, after having a budget, 35 opposition days, passing all the bills stemming from the budget, as I said, for the first time in more than 20 years, after performing all that work, especially after passing all those bills, most of which were an accumulation of legislation resulting from two elections in less than a year, it would neither be realistic nor fair to expect that we should have addressed in-depth reform over these last months.

However, I think that though there are still about twenty bills on the Order Paper, we, on this side, can consider the future with optimism, I can assure the hon. members that when I refer to parliamentary reform, I do not want to restrict the rights of the opposition. I wish to be quite clear; I will never suggest any change that could encroach on the rights of the opposition. This is not my intent. And if such changes were made, it would be for reasons beyond my control. When I refer to reform, I do not mean more power for the government, Madam Speaker; I want to improve the ability of this House to hold more thorough debates while coping realistically with the problems and dealing with the concerns of the Canadian people. I apologize, Madam Speaker, because I see that you want to interrupt me. I will continue my speech shortly.

● (1430)

THE ROYAL ASSENT

[*Translation*]

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

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

And being returned:

Madam Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-14, an Act to amend the Diplomatic and Consular Privileges and Immunities Act—Chapter No. 74;

Bill C-81, an Act to amend the Official Residences Act—Chapter No. 75;

Bill C-82, an Act to amend the Pension Act and the Compensation for Former Prisoners of War Act—Chapter No. 76;

Bill C-83, an Act to amend the Senate and House of Commons Act, the Salaries Act, the Parliamentary Secretaries Act and the Members of Parliament Retiring Allowances Act—Chapter No. 77;

Bill C-79, an Act to amend the Veterans' Land Act and to amend the Veterans Benefit Act in consequence thereof—Chapter No. 78;

Bill S-10, an Act to amend the Corporations and Labour Unions Returns Act—Chapter No. 79.

Bill S-20, an Act to revive Ontario News Company, Limited and to provide for its continuance under the Canada Business Corporations Act;

Bill S-21, an Act to revive G. A. Barber & Sons Limited and to provide for its continuance under the Canada Business Corporations Act;

Bill S-22, an Act to revive Eastern Diversified Company Ltd. and to provide for its continuance under the Canada Business Corporations Act.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Mr. Pinard: Madam Speaker, I have almost finished my intervention on this motion. Let me just refer you to the text—

[*English*]

Yes, I have an hour and a half to go. However, since I am creating the case for 20-minute speeches, I should set the example. I am sure that when the Leader of the Opposition follows me, he will set the example and limit himself to 20 minutes. For that I thank him in advance.

May I now refer to the motion. It has been drafted the same as in the past with the same standard provisions. The House will adjourn until mid-October, which is the normal date for the return of Parliament in the fall, and I quote:

—provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government that the public interest—

I repeat that:

—that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice and shall transact its business as if it had been duly adjourned to that time;—

Possibly I misunderstood, but yesterday I heard some members say that once we adjourn until mid-October, that is it; Parliament will not be able to do anything before the middle of the fall.

Mr. Lambert: Those on your side.

Mr. Pinard: I heard it from members on both sides. To pretend if my motion is accepted that it is theoretically and physically impossible for Parliament to sit earlier than October 14 is not correct. I am not saying that the House of Commons will come back earlier, but that it is theoretically possible. In fact, this was done last summer when we came back a week or ten days early. It was done a few years ago when we dealt with the bill on the pipeline. We returned in mid-August to deal with that bill.

It is up to the elected representatives to look at the facts. When the public interest is at stake, it is up to the government to assume its responsibility. If it fails to do that, we have an election. It looks as though the Liberal party has assumed its responsibility rather well in the past.

[*Translation*]

Therefore, when we are told that Parliament cannot meet before the middle of the fall, this is not true. Theoretically, it remains a possibility; the motion respecting the summer recess is drafted in such a way that if the public interest requires it, the government may recall the House of Commons to address this question, as was the case last summer and as was the case not too long ago when the House was recalled to study a bill on the pipeline. I do not say that the government intends to take this action; that is not the point. The question is hypothetical and I say this simply to refute the arguments of those who claim that this motion makes it physically impossible for Parliament, for the House of Commons, to sit before October 14. Let us be clear on this; this is not only true in theory, it is a possibility; Parliament can be recalled this summer and for the time being no decision has been reached nor am I in a position to confirm or to deny that the government does or does not intend to recall the House of Commons earlier than October 14.

That being said, Mr. Speaker, I can hardly add anything to the balance sheet I summarized a moment ago, and I will not repeat myself. In my opinion, we have had so far in this session a rather considerable and highly appreciable production of legislation, motions and reports, as well as the work done by all sorts of committees of the House. I am not trying to pat anyone on the back; it is simply a matter of looking at the facts and to conclude that indeed a lot of work has been done in recent months. Of course, some members would have liked to accomplish still more, and I count myself among them, Mr. Speaker. I would suggest once again that if we had more modern tools to work with, the House of Commons and the committees would be a lot more active and a lot more productive, and they would also be working under much more human conditions. Now, as I said earlier, after we have just had royal assent, changes are in the air and I think that we have been able to clear up most of the bills which had accumulated as a result of the last two elections in less than one year and, within reasonable time, we will be in a position to consider and negotiate changes and submit them for study by appropriate groups.

Mr. Speaker, those are the essential remarks I wanted to make at this stage of the session. I hope hon. members will agree to consider adjourning later today, in principle until October 14. Yesterday I heard the Leader of the Opposition suggest in his questions that on the face of it he was tempted not to support this motion for as long as the postal strike is not settled. I think he had not read the text of the motion when he said that. I am not asking him for anything, I am simply expressing a wish. Should he insist that we go on passing bills this summer, we are at his disposal, but then may I be

permitted to point out to him very respectfully that, to my mind, his request is not going to help solve the postal strike.

In my opinion, the conflict will be brought to an end at the bargaining table. It is not the type of dispute which we will settle here on the floor of the House of Commons. The Prime Minister told him quite clearly, I said the same thing to him, the President of the Treasury Board confirmed it, and again today as government House leader I say to him that we have no intention of legislating the postal workers back to their jobs. That has happened in the past; the government has had to weigh, on the one hand, the right to strike and, on the other, the public interest, so that when the government did legislate in the past it was because it deemed that in the circumstances the public interest was sufficiently harmed to justify disregarding the legal right to strike, which is acknowledged and supported by the Leader of the Opposition, particularly at the Post Office. If the Leader of the Opposition is now against the right to strike by postal workers, he cannot say so more clearly than by demanding that we pass legislation immediately. I would ask him to give me one single example, and I mean a realistic, not a trumped up example, of the ideal moment when we would respect the right of the postal workers to go on strike.

Summer is starting. The postal workers are legally in position to strike. They have exercised that right for barely 15 days and the Leader of the Opposition has been asking us for a week already to send them back to work. Does he not believe in the postal employee's right to strike? If he does, when then will he realize that back to work legislation is not advisable if the postal workers chose freely to go on strike? Let him show me a realistic example where the right to strike is recognized not only in theory but in practice. I claim that at this point, in view of the time of the year, and of circumstances generally, though undeniably there are serious inconveniences which affect some people, a responsible government must look at both sides of the coin: the interest of the public on the one hand, and on the other the financial implications, the need for wise management, and above all the respect of existing laws and the right to strike granted to a union with the support of the Leader of the Opposition.

In view of those circumstances, when he tells us suddenly, at the very last minute and to everyone's surprise, that the House will not adjourn until the postal strike has been settled—I recognize that he is free to say so, and I do not despise him for it—I say he is mistaken. That in no way helps to solve the conflict, nor does it help the parties involved to get back to negotiations, nor does it help negotiate a settlement. I claim it is harmful. The present attitude of the Leader of the Opposition will do more harm than good if he persists in it. I have no idea what he will be telling us. Perhaps I misunderstood him yesterday. It is possible. Perhaps he did not want to go that far. I pass no judgment on him but only give my interpretation of the situation and my point of view; I do not believe that forcing the hon. members to sit here in Parliament for one week, two weeks, will change anything in settling the postal dispute. If anything, it will hinder it.

We believe in the right to strike, in legal strikes, in negotiations and discussions that will bring all parties involved back to the negotiation table to settle this conflict in a normal and legal way. We are not of the opinion at this stage that it is appropriate to legislate the postal workers back to work and I say it again. It is not because the Leader of the Opposition is going to have 282 members of Parliament come back here or those members who are responsible enough to come back next week or in the coming weeks, that we are going to legislate. I am telling him, we have no intention of legislating a back to work order. He is making a mistake if he thinks so. Not only is he making a mistake but he is jeopardizing a settlement to the postal strike. He is jeopardizing the possibilities of a compromise and a negotiated settlement in this dispute.

If he really wants to be useful in the settlement of the labour dispute in the Post Office, I will remind him that strikes are not settled on the floor of the House of Commons, just as trials are not settled on the floor of the House of Commons, as I told him during the oral question period regarding the dispute over the election in the riding of Spadina. To each his own. Courts deal with trials and parties involved in a labour dispute have to negotiate a settlement. Some are free to make offers up to a certain limit, others are not, and if they are not satisfied with having to go on strike, as provided in the law, that is put to the vote democratically and with the support of the Leader of the Opposition and suddenly he turns against that practice. All of a sudden it's no. The right to strike is no longer to be granted, it has negative effects.

Strikes have negative effects indeed. But if he is against the right to strike, let him have the courage to rise and say: "I am against the right to strike in the Public Service, I am against the right to strike for postal workers in particular." Let him state it clearly. But let him not play little parliamentary games on the backs of parliamentarians, on the back of the media covering our activities, on the backs of all the personnel of the House of Commons—and they are 3,000 employees—and their families depending on our schedule, on our work here, and all of that for the purpose of scoring little political points and making the postal workers believe that we are going to force them back to work. We have no intention of legislating their return to work. All that he is doing presently, is jeopardizing the settlement of this strike. It is pure masochism to harm your own members of Parliament and also to infringe on the rights of members opposite. I am calling him back to his senses. If he absolutely wants us to come back next week, let it be so. As I told him, he knows the legislative program and we are going to be here. But we would prefer to adjourn now since we have been sitting since April, 1980, with our usual adjournments. We would prefer, naturally, to adjourn on July 10 after having passed 65 bills, after having reached an agreement on

the constitutional debate, after a budget, after having passed all the budget bills, which was the first time in over twenty years. So I would respectfully submit to him that he should consider being a little more human and, rather than taking a position which would hinder rather than facilitate a negotiated settlement of the postal dispute, I would respectfully suggest to him, if he keeps on, unless there are new developments which would make him change his mind or explain to me his position, which I may have misunderstood, that at this point if he wants to help the settlement of the postal dispute he must not count on the government legislating the postal workers back to work. Also he had better not think that by keeping hon. members here he will in fact force the government to introduce legislation to that effect. I think I made that quite clear. I will not repeat what I said in the other official language.

I would finally like to congratulate all parliamentarians, for their good faith, and that includes the Leader of the Opposition, because I have never questioned their good faith and the efforts they made in the last months to try and improve the quality of life of Canadians. Of course we do not always agree with each other's methods, but it is the role of the opposition to criticize us. I do not expect to be paid compliments. I expect to be criticized and that is normal. However, there are things that must be said. I think that beyond party politics we are all men and women who, sincerely believe they are doing their best to improve the quality of life in Canada. I believe that the best way to act at this point is to allow members, not to go on holidays, but to go and meet with their constituents in their ridings, to go and meet with their people, to go to their offices, as all of us on both sides of the House intend to do. For someone to say that—

• (1440)

[*English*]

—"We won't allow the members of Parliament to go on holiday before any strike is settled," that is wrong. It is not a matter of a holiday. It is a matter of allowing the members of Parliament, after ten months, to be able to go to their constituencies and meet with their people so they will know what the people really want and they can try to solve the problems of their constituents, who have the right to see them. That is one very important aspect, too. The role of the parliamentarian, I agree, is to legislate and to debate in the House of Commons. However, when we have achieved what we have during the last ten months, having passed 65 bills, a budget, all the financial bills, the Constitution, a lot of major bills have been adopted, above the average compared to previous sessions of Parliament, I say that it is unfair if someone prevents hon. members from going as soon as possible to their regions to explain, to listen and to meet with their constituents, and to allow the easterner to go to western Canada and westerners to come to eastern Canada.

That is what we have in mind when we say it is about time we adjourn today. We do not want a holiday. I think some hon. members deserve a holiday. They will take two weeks or three weeks, and that is fine. However, hon. members know very well that we will not be on holiday for three months. It is wrong to say that. We are not going on holiday for three months; we are going to do our job, which is different, another aspect of our job, working very hard in our constituencies over two and one-half months. That is what we want to do, and no later than today.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, let me begin on a soft note on two matters on which the President of the Privy Council and I can agree. One of those certainly has to do with the expression of our appreciation on this side of the House to all of those who work in association with the House of Commons as employees, or in jobs which are associated with the House of Commons. They are called upon to perform tasks with unusual demands, and all of us in this Parliament on all sides of the House, are deeply grateful for the work they have done and want to take this opportunity, as we begin an adjournment motion debate, to express our deep gratitude to them all.

• (1450)

Some hon. Members: Hear, hear!

Mr. Clark: The other matter on which I want to express some very real identity of interest is the references the President of the Privy Council made to parliamentary reform. I am pleased that he has found so useful the innovation of parliamentary task forces which my government began. If he takes a look at some of the other proposals for parliamentary reform which were introduced during the period we were in office I am sure he will find other elements of value. I am pleased to see him nodding his head. I am prepared to accept his word that he is genuinely interested in the reform of this place because, frankly, I cannot imagine how anyone who has spent any time here can be satisfied at all with the way the rules of Parliament now limit the ability of individual members of Parliament on either side of the House to do the job we are sent here to do, which is to have influence upon the public policy of the land.

Certainly it is my view—it has been my conviction through my life here, and I am pleased to hear a similar view expressed by the President of the Privy Council—that there have to be changes which allow individual members to have more influence upon the events of Parliament. He has given us his word that he will not introduce reforms which will limit the powers of the opposition. He will understand if we want to wait to see what he is proposing before we accept that word, but certainly there is major institutional work to be done here.

We have to change the rules of this place because it is one of the greatest wastes in the country to have a situation where some 30 people, who happen to sit at the Privy Council and in the centre of the government side of the House of Commons, have most of the influence and power in this Parliament, where there are 282 members, and all the rest of the members of the House of Commons have relatively little influence upon the events of the day. It was not for that reason that Parliament

was created, and it is not under that system that Parliament can thrive.

If the President of the Privy Council is serious about reforming this institution to make it an institution in which individual members of Parliament can in fact influence the public policy of the day effectively and freely, then we on this side of the House will support any sensible measure which he introduces to accomplish that, and we will propose several to him ourselves.

Let me get to matters where there might be less agreement. I heard the minister talk about the need for members of Parliament to get into their constituencies and to talk to their constituents.

[*Translation*]

I must say that I am certain that if some of the members from Quebec had been able to visit their constituents, especially when we were debating the constitutional issue, the result would be very different and the contribution of these members to our debates would have been very different. Because one thing is quite clear, and that is that the views of Quebec citizens on the constitutional issue do differ from those expressed by Quebec members during the long constitutional debate.

Someone mentioned Lévis. The Progressive Conservative Party obtained 4 per cent of the vote in Lévis in 1980. We obtained 31 per cent of the vote in a byelection because we spoke up for Quebecers on the constitutional issue. This is why our candidate was so successful, and I believe that it shows to Quebecers, and especially to the members of the Liberal party, that they have the duty to take the views of their voters into account in the future when we deal with such basic issues as constitutional reform.

[*English*]

I wish them well on their voyages home. If they need any arguments or if they need any help in understanding the point of view of Quebecers on the constitutional question, they can write me and I will send them some of my speeches.

Some hon. Members: Hear, hear!

Mr. Clark: Let me come to the question of the order we are debating now, the motion for adjournment. The President of the Privy Council jokes and says he will mail me a letter. Unfortunately, that is one of the problems with this House in dealing with this question, because it is possible for members of this House of Commons to have our communications sent by messenger, or perhaps by courier, to people who need them. It is not possible, when the postal service is on strike, for ordinary Canadians to have their mail delivered when they need it because ordinary Canadians do not have the privileges members of this House of Commons have. My party and I say that we do not propose to exercise our privilege of rising for the summer while individual Canadians across the country face the prospect of being denied their privilege and their right to have their mail delivered by their postal service.

Some hon. Members: Hear, hear!

Mr. Clark: Let me come back to some of the remarks of the President of the Privy Council. He admitted that Parliament has the power to come back here and resolve problems—including problems of a work stoppage—and to introduce back to work legislation, so the question of the right to strike is not at issue here at all. Most of us in this House who have been here for any length of time have had to vote to have Parliament impose upon various work forces in the public service the necessity to get back to work and carry on their functions. That was done without any limitation of the right to strike.

That is an unhappy part of the life and the responsibilities of the parliamentary system, but that is not the question here at all. The question here was alluded to, perhaps inadvertently, by the President of the Privy Council. He talked about the inconvenience caused to members of Parliament. He talked about the inconvenience caused to members of the press. He talked about the inconvenience caused to others who might have to stay here to make sure Parliament is able to do its duty. What concerns me and my party is the inconvenience to hundreds of thousands of Canadians who have a right to count upon their mail. They look to us to put their convenience ahead of our convenience, and that is what my party and I intend to do.

Some hon. Members: Hear, hear!

Mr. Clark: He speaks about the rights of public servants, and I certainly accept that. But I also accept that citizens have rights in this country, and if there is one body in the land which has a duty to respect and protect the rights of the citizens of Canada, it is this Parliament of Canada. I do not propose to have this Parliament of Canada getting up and going away when, by staying, it could positively influence the restoration of mail services in the country.

The President of the Privy Council used the words "the public interest". He said that the government can decide to call Parliament back when the public interest is at stake. We happen to believe that the public interest is at stake now in the question relating to mail service in the country. He has said that if we want to have a real test of the public interest, we can perhaps have an election. We are ready for that too; however, I suggest to him that the people of Canada are not particularly interested in elections, but the people of Canada are very much interested in having their mail delivered. The people of Canada are very much interested in having an energy agreement. The people of Canada are very much interested in having a government which will act on the problems which are real and important to ordinary people across the country. That is what this government has failed to do, and it proposes to continue to

fail to do so. That is the responsibility this government proposes to continue to back away from by having Parliament rise when, by staying, we could influence a settlement—one way or another, by negotiation or by other means—of the postal strike. We say we should not be moving away from our responsibility. We say we should spend another couple of days here in the heat. We are elected to take the heat. We should stay here for a couple of days further in the heat, deal with our responsibilities, do our duty and not run away from our responsibility as members of Parliament.

Some hon. Members: Hear, hear!

Mr. Clark: The President of the Privy Council spoke about the record of the government in this session. He said that for a session of Parliament this government had a record better than the average. That has to be seen in the light of the fact that this has been two sessions of Parliament, when we take into account the fact that we met before summer and then recessed for summer last year. What he is saying is that in two sessions of Parliament we have had a legislative output a little better than the average in one session of Parliament. I can agree with that kind of calculation.

However, it is not really for us today to compare lists of things which were done and things which were not done, although there is a very real concern in the country about a number of things which were not done or a number of things which were badly done. Some parliamentary sessions are merely unproductive. This session of Parliament has been one of the most divisive sessions of Parliament in the history of this nation and, tragically, two issues which could have united Canadians, our energy and our Constitution, have been used by this government to drive Canadians apart. Now, the constitutional bill which occupied most of the government's legislative agenda—he says it only took two months; I seem to hear them saying it took 54 years. That constitutional provision betrays the basic federal nature of this nation. The National Energy Program, which reflects the government's intellectual agenda, its taste for statism and its determination to have the state control more and more of life in Canada, is driving Canadian citizens, jobs and money out of our country.

• (1500)

We, Mr. Speaker, are one of the few nations in the world with a chance to become genuinely self-sufficient in energy. The news in Canada should be about new energy projects starting, however, because of this government, the news in Canada is about new energy projects shutting down. This week it was the $12 billion Cold Lake project shutdown for at least two years, and probably much longer. That project's delay will have economic implications and will cost jobs right across this country. I hope members of Parliament from Ontario and Quebec understand that fully 35 per cent of that project's impact, which the Minister of Energy, Mines and Resources cancelled, would have been felt in those two provinces. So the provinces being bloodied by this wrong-headed, ideological, doctrinaire attempt to control in Ottawa an energy industry which will, faced with that kind of control, choose other places to build, and the people who pay for that, are the citizens of Ottawa Centre, Toronto, Montreal, Trois Rivières, indeed the citizens of every community right across this country.

Before the announcement of the Cold Lake shutdown, before that great economic leap backward as a result of federal Liberal policy, there had been a flood of 165 drilling rigs out of this country, taking expertise from western Canada, taking jobs and production from eastern Canada, and taking the possibility of energy self-sufficiency from all of Canada. There has been in the energy service industry a drop of between 20 and 30 per cent in employment as a result of the energy policy of this government. There has been a mammoth increase in imports which help foreign countries and hurt Canada. Instead of building up the independent Canadian energy industry, this government builds up its own multinationals. Instead of serving Canada, this Liberal government serves Mexico, Saudi Arabia, Venezuela and OPEC. The Liberal energy policy is: OPEC first and Canada last.

Some hon. Members: Right on.

Mr. Clark: In a curious way, "Canada last" was also the motive of the constitutional proposal. The Liberal government tried to hide behind the colonial connection to have Britain decide Canada's Constitution. We fought that colonial action and we won the right to have the courts of Canada decide the constitutional legal questions the Prime Minister and the Liberal party wanted to send away to Britain. Having won that right, we reserved for Canadians the right to decide the political question about what it is that is right and legitimate for a federal government to do. Because, sir, that Constitution is Canada's first; it is not Britain's constitution.

An hon. Member: Not too convincing.

[*Translation*]

A Quebecer told me that was not convincing. He should perhaps talk to his constituents, because they believe like I do that this is an issue for Canadians to decide and not for the British people, and if he thinks that it is up to Britain to determine the future of Canada, he is wrong.

[*English*]

As a consequence of some of these actions, Mr. Speaker, and I say it with sadness and almost with fear, we have a situation where in some parts of this country you can cut the anger with a knife. Whole regions are developing the view, with far too much evidence to support it, that their nation is being governed against their interests. The great majority of individual Canadians with bills to pay, families to raise and lives to lead, find their daily problems being ignored by a national government that just does not care about the things that concern individual Canadians across the country.

Some hon. Members: Right on.

Mr. Clark: Millions of those Canadians are forced to cut back on their food purchases. Thousands must contemplate

letting their houses go because they cannot afford to renew their mortgages at current interest rates.

[*Translation*]

Interest rates have broken every record in the last six months. Prices have increased by 12.3 per cent. Food prices have increased by 13.6 per cent. Energy prices have gone up by 28.5 per cent, bankruptcies by 20 per cent during the first part of this year, and the price of gas by 60 cents a gallon since the return to power of this irresponsible government. The deficit this year will be $3.7 billion higher than it would have been with our budget.

[*English*]

We have the unemployment statistics today showing the rate for June. It is up again now at 7.3 per cent. In June of 1981, 24,000 jobs were lost in the services sector, 26,000 in the manufacturing sector. Those are jobs Canadians have been counting on. They cannot count on them any longer. Because of the economic policies of this government, those jobs are being lost. The cost of living remains far too high. The agriculture food index published yesterday stated that for June of 1981 food prices are up 13.6 per cent over last year. Business bankruptcies are up 20 per cent in the first quarter of 1981 compared to 1980. Farm bankruptcies are up 70 per cent in the same period. We have the highest interest rates we can remember in Canada. We have an indication that the CPI for heating oil was up in May, 1981, 44.8 per cent over May of 1980. The statistics go on.

However, for the individual Canadians across the country, they are not statistics; these are real problems which they have to deal with every day as they try to make their way through life, feeding their families and building their futures. The tragic and unforgivable thing about this government is that it knows it could act to help some of those Canadians. It knows, for example, that the mortgage tax credit proposal that my government introduced, and which the Liberals and NDP voted against, would be paying $100 a month today to every Canadian with a $30,000 mortgage. It would help that Canadian keep his or her home against the high cost of interest. The government knows it could bring in an energy tax credit to help low and middle-income Canadians. It knows it could act in other ways to protect victims of inflation and high interest rates, but it will not do that. Why not? Because it prefers to spend $1.5 billion on an oil company it does not need. It puts buying oil companies over helping meet the needs of individual Canadians across the country. That is an inforgivable priority for any government facing economic circumstances such as those we have in Canada today.

Some hon. Members: Shame.

Mr. Clark: This, sir, is a government whose priorities are absolutely wrong. It is following its own selfish course and is blind to the real needs of individual Canadians across the country. Nothing is more typical of that attitude than the desire of this government to have the House of Commons get up and go home while postal workers are on strike and Canadians are denied the right of mail service. We want that resolved by negotiation, but if that fails, there is only one institution in the land that can restore mail service, and that is Parliament. The business of Parliament is to stay here and be ready to act rather than to run off. If this government cared about the people of Canada and cared about its responsibilities, it would demand that Parliament stay and be ready to do its duty. The government might walk away from its duty, but this party will not.

• (1510)

Some hon. Members: Hear, hear!

Mr. Clark: We intend to keep this Parliament on the job until we can be assured that the postal workers will be back on the job.

Let me review some of the unhappy facts about the postal situation. They are unfortunately known to most people in the country. At midnight on June 30, some 23,000 postal clerks and mail handlers went on strike. The government knows that the people who suffer most are Canadians in need of postal service, people who need to receive their government cheques and small businesses which are paralysed and cannot keep functioning without that kind of service. The important thing in this situation is that the postal strike was absolutely unnecessary. It could have been avoided. It is a strike by choice, not the choice of the union, but a strike by choice of the Liberal government. This is why we have a postal strike in the country today. It could have been averted by the federal government.

The government refused to go back to the bargaining table for a difference of less than 2 per cent. The difference between what the government was offering and the cost of the conciliation board report was less than 2 per cent, yet the government maintained that the board's recommendation could not even form the basis of negotiation. The government was not interested in keeping the mail service going. The government was interested in forcing a strike by a union it knew to be unpopular. That is how we got into this situation, and that is clear to every Canadian who has followed the negotiations and who knows that what separated the parties was 2 per cent in terms of money and a determination on the part of the Government of Canada to force the postal workers out. We in this party are determined to have the postal workers back at work preferably by negotiation, but in any event back at work so that Canadians can count upon their mail being delivered.

Let me speak for a moment about the government's record in labour relations. For the government to force a strike by the postal workers should not be surprising to anyone who has known its record. One only has to look at what happened in the government's treatment of disputes in the past. One example is the Radio Canada strike which dragged on for eight months, interestingly for eight months during the discussion of the constitutional question in the House of Commons. Another example is the current CBC strike which is over 50 days old. Last fall some 48,000 clerks were out on strike. This means that in the last eight months alone nearly one quarter of the public servants under the direct authority of the President of

the Treasury Board (Mr. Johnston) have been out on strike. The government's record with respect to postal disputes since 1968 has included 12 strikes, virtually one strike for every year of office. This indicates a terrible record of labour relations by the government. In the meantime, while the government plays its political games with CUPW, those who suffer real and deep damage are Canadians awaiting government cheques, old age pensioners, widows, small businessmen, and others across the country.

It is estimated by the Canadian Organization of Small Business that there will be between 1,000 and 1,500 bankruptcies per week as a result of the postal strike. It is estimated also that 6,000 to 9,000 jobs will be lost each week and that direct mail business people will lose several million dollars every day the strike continues.

[*Translation*]

The postal strike creates unsolvable problems for most small and middle-sized businesses in Canada. I have received many phone calls at my office for the last 11 days in support of my representations to try and convince the government to take the necessary steps to settle the strike. Many small businesses in Canada will not be able to survive for long if this situation continues a few more days or a week. Let me give one precise example. I could give 1,000, 5,000 or 10,000 more but I want to stress the case of MSC Ltée of Sherbrooke, in Quebec, in the Eastern Townships. That company is a Quebec small business.

It buys, manufactures, imports and sells sewing and handicraft products to businesses in Quebec, the maritimes and Ontario. It generally has 40 full-time employees. Customers' orders are received and goods delivered by mail.

At a pinch, shipping could be done through Voyageur bus services but Voyageur is on strike. As a result, the company had to lay off thirty of its workers. Thirty out of a staff of forty have now lost their jobs because of government procrastination and unwillingness to settle the postal problem. The president of that small business, Jean-Guy Cyr, told us this morning that he was very concerned about the future of his business should the postal strike last another one or two weeks. He added he is not the only one in such a position; all his suppliers, customers and customers of his customers have to lay off or shut down. Mr. Speaker, this is a concrete and precise example. There are thousands more in all Canadian cities and towns.

[*English*]

I think it might be interesting for the House to have just a quick survey of some of the damage which is being done to individual Canadians by this postal strike, by this government forcing the union to go out and now indicating that it is prepared to wait a long time to have postal service restored.

In Victoria, British Columbia, over 250 people who are eligible for United States pensions or other benefits went yesterday to the office of the hon. member for Victoria (Mr. McKinnon) to give him written authority to pick up their U.S. social security cheques from the U.S. consul in Vancouver. These cheques represent the main means of livelihood for these senior citizens. This is one group we know about. We do not know about other senior citizens who do not realize they can go to their member of Parliament or do not know what route to follow to ensure that they obtain the cheques they need to maintain their living.

Let me bring to the attention of the House of Commons the problem of a very small business in Dundas, Ontario, namely, McMaster Pottery. It is a small business with 21 employees. The company must close the plant for the rest of the summer and lay off the 21 employees because it cannot receive its incoming orders or accounts and it cannot do its billing.

The Edmonton Chamber of Commerce indicates that the effect of the mail strike on business, especially on small business, has been simply devastating. The feeling in the business community is such that a meeting of businessmen was called for noon today for the express purpose of discussing the particular problem. It is probable the meeting will recommend the boycott by the business community of all government accounts. In other words, there will be a stoppage of payment of anything owing to the government, be it payroll deductions or income tax. According to a spokesman of the chamber of commerce, in many cases $40,000 to $50,000 cash flow is tied up in the post office. He could not give specific details as to how many businesses are being affected or how many are near the brink of disaster, but he did say that the telephones have not stopped ringing in his office and that the feeling in the business community of that particular city is very grim.

I should like to refer to the case of Burlington, Ontario. A company called Brant Insulation laid off most of its employees because its cash flow has dried up. When the company tried to collect an account it was told, "It is in the mail". But when it is in the mail in Canada today, it means that it is nowhere. Minuteman Press in Burlington has released half its staff and the balance will go this weekend if no settlement is reached. Alpha Davis of Burlington indicates that mail accepted for delivery more than a week before the strike date is undelivered, which leads it to believe that this might have been some plan to plug the system before the strike deadline. Most independent insurance agents are hard hit because of delays in policy renewals. The money is not coming in, the policies are not going out. This means that many individual Canadians are exposed to risks with no insurance coverage because of the mail strike.

I should like to refer to the case of a very small business in Charlottetown, Prince Edward Island. It is a flower shop called Hearts and Flowers. It has five employees and is owner-operated. Usually it receives its payments on account in the amount of $2,000 to $3,000 each week. Now, because of the strike, the shop's cash flow is cut in half. On the island fewer people use credit cards than they do in many other parts of the country, thus, that particular blow is doubly damaging to that small business operation in the city of Charlottetown.

● (1520)

I would like to refer to a letter sent to my colleague, the hon. member for Edmonton West (Mr. Lambert). It is from L.U.L Publications and it reads as follows:

I have just finished laying off our entire staff of 17 people because of the postal strike.

Our customers are located in the three western provinces, and we rely on the postal service to deliver our products, and therefore on the postal service to receive payments from our customers.

The majority of these 17 people will be applying for unemployment insurance, which is an expense to the "Canadian Taxpayer".

Also the following companies are our suppliers, and we will not be placing orders with them. I know the volume we handle will not put them out of business, but they will have a decrease in orders:

Premier Matches Limited
Trendcraft
Hi-Signs
Edmonton Screen Craft
Sheltered Workshop
West Web Printers
Allied Printers
Barber Ellis
A.G.T.

These are but a sampling drawn together at random this morning which shows the impact upon individual Canadians, companies, citizens, businesses, and people who want to keep jobs but cannot when the postal service does not work. The government can sit back and say, "We will be tough. We will force these guys out and we will not be forced to act quickly to bring them back." The government has the luxury of being tough. The people, whose cases I have just cited, do not have that luxury of being tough; they cannot hang tough. They will go under. The government has the responsibility to stop Canadians from going under, not to force them to go under.

Some hon. Members: Hear, hear!

Mr. Clark: We never know the full impact of something like this strike until after it is over. The one thing that is clear is that it will cost the Canadian public many times more than what a settlement with CUPW would have cost them.

One way of judging the cost to the Canadian economy is to look at what happened in 1975 when there was an interruption of postal services. According to a survey undertaken by the St. Catharines Chamber of Commerce in 1975, the average daily loss to local businesses in St. Catharines during that 42-day postal strike was $38 per day. It was further deduced by the Chamber of Commerce that, city-wide, this represented a daily loss of some $200,000. At today's rate, with our dollar's purchasing power eroding, that $200,000 is clearly understating the case. In fact, the Chamber has learned recently that some of the 1975 totals have already been reached in St. Catharines. Therefore, even if we do nothing to transpose 1975 figures into 1981 dollars, we can assume that St. Catharines, Ontario has already suffered a business loss of at least $1,600,000.

Some industries, industries spread across the country, are more particularly hurt than others. The big industries can handle it. The big guys like big governments can usually look after themselves. It is the smaller industries and the smaller individuals who cannot.

For example, the direct mailing advertising industry in 1975, according to its report, lost an estimated $37 million on revenues of $250 million. A 42-day strike in 1981, if it goes on as long now as it did then, will cost this sector 15 per cent of its yearly revenues, or $61.5 million. We are asking these industries and these individuals to bear that kind of burden because the Government of Canada would not sit down and negotiate a 2 per cent difference between themselves and the postal workers. That is the context in which we must see this issue. The government might say that it is saving people money. For whom is it saving money? Is it saving money for the florist in Charlottetown who is being forced out of business? Is it saving money for the businesses in St. Catharines who are losing sales? Is it saving money for the business in Sherbrooke which is forced to lay people off and cut sales? It is costing these Canadians money and opportunity. It is doing exactly the opposite of what a government should be doing in this kind of circumstance.

The tragic fact is that the longer the strike goes on the higher the cost will be to Canadians. We on this side of the House do not intend to go home until there is some reasonable assurance that mail service will be restored in the country. The government provoked the strike; it is for the government to show its good faith and bring the union back to the negotiating table for final resolution of the issues which are in dispute. In the last analysis, back to work legislation has to be considered if no other solution is found because Canadians cannot be left in the grips of a postal strike during the summer.

As I said before, the government might think that it has the luxury of waiting. Again today the President of the Privy Council said, with all the security he has as a well paid minister of the Crown, that they will not settle or legislate a settlement. He has said, "Let them suffer."

Mr. Cousineau: That is not what he said.

Mr. Clark: That is the clear implication of his statement when he indicated that the Government of Canada would not consider using the legislative instruments open to it. The clear implication of that is that the Canadians who are losing their jobs and their incomes can go right on losing them because the Liberal government does not care about the ordinary people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The fundamental point here is that a minister of the Crown might have the luxury of saying that he can tough it out. He can wait; most Canadians do not have that luxury. For some Canadians, some of the people we are here to represent, whose interests we are here to protect, it is merely an acute inconvenience. For the elderly, people cut off from their families and friends, it is merely an acute inconvenience. But if you know older Canadians and the degree to which they count on the mails, you will know that it is an inconvenience that cuts deeply into their lives. It cuts deeply, even though it

is an inconvenience, into the lives of young people who might be waiting for word on jobs, or for people who might be awaiting documents or payments in the mail.

But for others it is much more than an inconvenience, it is a literal tragedy to be without their mail in this country. It can be the breaking of their lives. People who have laboured long to put together small enterprises, people who have worked hard to keep and to earn jobs are now being forced, because the government will not negotiate a settlement, to see their businesses put at risk, to see their jobs put in jeopardy. These individual Canadians cannot afford to have their government play games with their future.

The Government of Canada has two alternatives. One is to negotiate a settlement. The other is back to work legislation. The one thing which is not acceptable is to do nothing. The government created this burden for Canadians and it must resolve that burden. A Parliament which rises now is one which turns its back on its responsibility to be here immediately in case there is a need for Parliament to act. We have here a House of Commons which is not working to solve the problems of our country. That is not the fault of the institution of Parliament; it is the fault of the direction of the policies brought before the Parliament by the government. We have a Parliament and a government whose initiatives and policies are having the effect of dividing the country more dangerously than it has been divided at any time in our past.

We have a government which ignores the real problems of real people. An opposition in the Parliament of Canada has only very limited weapons. I talked about those when I began my remarks. On some occasions we can be ingenious in the use of our weapons to ensure that the public interest is protected. But there are very serious restrictions on what we can do as an opposition. We cannot hold Liberal members of Parliament here forever. We cannot force the government to be here forever. We cannot even force it to do its duty and negotiate a settlement or bring in back to work legislation. But we do have a duty to Parliament to try to force this government to accept its responsibility to the people of Canada. We have a duty to try to force the government to restore the mail service in this country, to recognize that it is not here for its own pleasure but is here to serve the interests of individual Canadians, to solve the problems of individual Canadians. There is no indication at all on the part of this government that it intends to do anything to restore mail service in this country. Until we get an indication of a serious determination to restore the mail service in this country, we in the Progressive Conservative Party intend to prolong this adjournment debate as long as we can.

• (1530)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The hon. member for Laprairie (Mr. Deniger) on a point of order.

Mr. Deniger: Would the Leader of the Opposition allow me one or two questions so that I may properly understand his rationale and the conclusions he suggests to the House?

Mr. Deputy Speaker: With the consent of the Leader of the Opposition.

Mr. Clark: Yes, Mr. Speaker.

Mr. Deniger: Mr. Speaker, I did appreciate the comments of the Leader of the Opposition. I think he eloquently made a very strong case about the specific impact of a postal strike on the Canadian people. He mentioned some particular cases and rightly so, and many more could be added. However, does the Leader of the Opposition think that the right to strike should be taken away from postal workers? If not, does the Leader of the Opposition think that we should immediately legislate them back to work?

Mr. Clark: I want to answer very briefly, Mr. Speaker. I think it would be a mistake to take away the right to strike from postal workers. The hon. member will remember that we have suggested another way of settling disputes in the public sector. I hope this government will be prepared to implement such a solution. But, at least until we have a more efficient mechanism, we must respect the right of the workers to strike, and we must also recognize the right of Parliament to act in case of emergency to provide services. Back to work legislation immediately? Of course not. If, as I often said, we can reach a negotiated settlement, that would be a lot better. But the government must show evidence that it is really determined to reach such a settlement by negotiation.

Mr. Deniger: Mr. Speaker, would the hon. Leader of the Opposition allow a supplementary question?

Mr. Clark: Certainly.

Mr. Deniger: Mr. Speaker, I share many of the feelings which were expressed by the Leader of the Opposition, but I would like to get things clear. The motion put forward by our House leader does provide that at any time prior to that date if the government becomes convinced that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied and thereupon the House shall meet in due time. Therefore, does the Leader of the Opposition not agree that the guarantee which he is seeking can be found in the notice of motion introduced by the Government House leader?

Mr. Clark: With this motion, the government alone is deciding what the public interest requires. We have no confidence in the government to make such a decision. It is for Parliament to make that judgment. We are here and we intend to stay here to allow Parliament, not just the government, to decide what the public interest, the Canadian interest requires. We consider bankruptcies, problems affecting individuals,

people losing their jobs, as a serious situation and a threat to public interest. We do not want to leave Ottawa and let the government decide on a matter of public interest, when we feel that Parliament is a much better judge of the matter than the government.

[*English*]

Mr. Knowles: Mr. Speaker, I rise not to speak in this debate, but on a point of order. There are certain discussions taking place this afternoon in which my leader, the hon. member for Oshawa is involved which, we dare to hope, might be fruitful. I believe the Leader of the Opposition has been informed of these discussions. Because they are taking place, we feel it would be better not to speak at this time. I should like to reserve my right to speak later in the debate, if it goes on.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I want to speak as one individual member of Parliament this afternoon and say that I am appalled at the government's attitude that this Parliament should rise for a three-month holiday, that this Parliament should walk away while the country remains in the grip of a strike which is so badly hurting the Canadian people. I find it unconscionable that the Liberal government should propose that we leave countless thousands of Canadians in a situation where they are deprived of a service that so many people depend upon for their livelihood, their jobs, their pay cheques and the welfare of their families.

How could a Government of Canada possibly be so insensitive to the welfare of so many Canadians? How could the Prime Minister (Mr. Trudeau) make such an unbelievable statement as he did on Monday of this week when he said that he did not want his government to legislate the postal workers back to their jobs because he did not think the postal workers would obey that order?

I want to read into the record a commentary from a former colleague of mine in the parliamentary press gallery who is now a reporter on CFRA, Mr. Hal Anthony. On July 7 he said:

> Canadians reached a plateau of sorts yesterday. They were told by their Prime Minister that the government will not introduce a certain piece of legislation because it wouldn't be obeyed.
>
> The elected representatives of the people are running scared, afraid of a powerful and determined union.
>
> The possibility of levying heavy fines seems to have escaped the government. The thought of sending postal union leaders to jail is enough to paralyse the Canadian government. If the government were to stand on a principle and say, "Having given the posties the right to strike we cannot now forbid a strike," one could understand that. But no, the Canadian government quite clearly is caving in to blackmail. The private and public sectors are already shuddering about their own union contracts should the posties win the day. They cannot be allowed to win all they are asking for . . . that's clear to just about everybody except organized labour. But the government is ducking the issue and uncounted thousands of Canadians will pay the price. The anguish and economic hardship is being felt across the land, but the government backs away, fearful of enacting a law it doesn't want to enforce. It's a sorry day for Canada, and for all of us.

We could not agree more with our leader that we as parliamentarians simply cannot walk away from an issue that this government may want to run away from but that the people want brought to a dead halt.

I do not like to face the prospect of going back to my constituents and telling them that I as a member on this side of the House or, indeed, a member of Parliament on any side of the House, did not do the best we could; that we in the official opposition did not do the best we could to convince the government to be sensible for once, to public opinion and to listen to this very real expression of public concern. It is a widespread expression of concern.

I want to say right now that I resent an aside made earlier today by the Leader of the New Democratic Party, the hon. member for Oshawa. He said that we on this side preach the right to strike and then want to shut one down the moment a strike gets going. As the Leader of the New Democratic Party pointed out, it will be two weeks on Monday since this strike has been crippling the nation.

● (1540)

The principle of the right to strike in the public service is one thing. It is an arguable principle for some of us on this side, but it is now an accepted fact of life. A prolonged strike in such an essential public service as the Post Office is quite something else again. And we, as elected representatives, feel we should do whatever we can on behalf of the hundreds of thousands of Canadians affected by this strike. They may not care about the niceties and technicalities or the crucial aspects of whether one more body is added to the negotiating table. We think it is up to this House of Commons to get that strike stopped in the absence of successful negotiations at the table. I share the hope of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), that maybe there will be some hope of getting the parties back to the negotiating table and getting a negotiated settlement. I repeat, if we do not have that negotiated settlement, it is up to this House of Commons to get this strike stopped, get the mails flowing again and to get into place some mechanism, some way of reconciling the right to strike with the chaos that results when the whole country is held up for ransom by the disruption of an essential public service.

I believe we have to think through very carefully about what services are essential in this society. But even our friends to the left cannot deny that the Post Office and the movement of mail is indeed a vitally essential public service and worthy of the concern of this Parliament before we take a three-month holiday. My opinion is shared by the Canadian Federation of Independent Business. All members of Parliament receive copies of *Mandate*. We all take this group of businessmen seriously. The federation plea is "end the chaos". In one of its publications we read:

> We're mad. In fact federal members are seething over the public sector strikes that so badly affect the health and survival of the country's small and medium-sized enterprises.
>
> Strike after public service strike has created chaos.
>
> Post office unions are among the worst offenders, but the strike, go-slow, work-to-rule mentality has, over time, tied up everything from airlines to police protection services.

In my view, the *Mandate* article has real credibility. The federation makes a very strong case about what happens to

strikes in any part of the public service, but especially in the Post Office. As I said, I think it would be unconscionable for this Parliament to adjourn for the summer without coming up with some form of legislation recommending some solution to end this strike in the absence of negotiation.

People keep talking about bad faith being shown on both sides of the postal dispute. But the ultimate act of bad faith would be shown by the Parliament of Canada to the people of this country if we were to take our three-month holiday and leave this nation in the grip of a postal union whose actions are crippling the country and causing all sorts of economic hardships to the people of Canada.

My leader touched on the costs of the 1975 mail strike and what that could mean in 1981 dollar terms. The 1975 strike lasted 42 days. According to the Canadian Direct Mail Marketing Association, the expected loss to the Canadian economy for a 1981 postal strike of the same timing and duration as the 1975 strike is $407.6 million, which amounts to $9.7 million per day.

Reference was made earlier to Mary McMaster's pottery operation in my home town of Dundas, Ontario. That pottery business is a small business with 21 employees. Mrs. McMaster has closed down her plant for the rest of the summer, laying off 21 people because she cannot receive incoming orders or accounts and she cannot do her billing. Understandably, Mrs. McMaster is fed up with the Post Office. She is fed up with the strikes and the salaries disputes. In fact, she is fed up with the whole civil service. Mrs. MacMaster feels, and she is just one of many hundreds of thousands of Canadians expressing this view, that it is totally irresponsible for this Parliament to recess during the postal strike, abandoning thousands of small business owners to deal with this colossal problem on their own. Having talked to Mary McMaster myself, I know what a problem this will be for her because having laid off these 21 employees, it will take her months to gear everything up again. There are many thousands of businesses which are like Mary McMaster's.

People on the government side who are trying to duck this issue and run away from it ask what positive proposal we have on this side. I would suggest that perhaps we return to the idea of a public interest disputes commission. This proposal was made by the former postmaster general, the hon. member for Vancouver South, when the Conservative government was in power. He said:

> It is recognized that sometimes the private right to strike or lockout must give way to the larger public right to receive essential services, whether those services are provided in the public or the private sector.

In order to help prevent recourse to strikes affecting essential services, the Progressive Conservative Party advocates the establishment of a public interest disputes commission. This was first recommended in 1968 by Dean H. D. Woods and others who made up the federally appointed Task Force on Canadian Industrial Relations. The Task Force Report said:

> "The public has an interest in being protected from the hardship caused by work stoppages which interrupt the supply of essential goods and services."

However, while some services are easily defined in advance as "essential" a strike can have effects under some circumstances that are not easily anticipated.

Again, I come back to Mary McMaster and the 21 employees that she had to lay off about 48 hours ago.

The Woods report listed seven factors that should be considered in finding solutions to essential service disputes. Because labour relations are not nearly as simple as some believe, these factors need to be understood and are set out exactly as they appear in the report. I will not take the time to read that report into the record. It may be found elsewhere in *Hansard*. But a public interest disputes commission would be a new approach, a better management-labour climate in both the public and the private sectors. The report states that new approaches are working in other jurisdictions and, where compatible, experience gained in these other areas may well be incorporated along with the Woods report suggestions.

We on this side have said we will consult with labour and management and prepare legislation for introduction to Parliament once we become the Government of Canada again. This is an idea which we are dusting off, but it is an important one. Labour and management relations are essentially a matter of human relations. Just passing more laws is not the answer. We believe that the public interests disputes commission is a step toward establishing a more effective framework for the settlement of legitimate issues. It could serve to minimize work stoppages in essential services.

● (1550)

In closing these brief remarks, I would like to reiterate that this Parliament and we as elected representatives have a right and a duty to speak on behalf of the Canadian people. We want to ensure that we are representing their best interests. Their best interests right now are served by getting the mail going again. However the mail gets going, whether it is through a negotiated settlement or Parliament legislating the CUPW workers back to work, we will not know until after the weekend. However, in the final analysis, we the representatives in this institution are responsible to the Canadian people to keep one of the most essential and fundamental Canadian services going. That is Her Majesty's Royal Mail, Canada's post office. That is why we feel it would be dead wrong for this House to rise this afternoon leaving the country in the grips of this crippling and very unfortunate postal strike.

Mr. Fennell: Mr. Speaker, I rise today to discuss the matter of the adjournment of this House which has been brought forward by the President of the Privy Council. During his remarks, he explained in a glorious fashion how his government had 61 bills passed through this House.

An hon. Member: Sixty-five.

Mr. Fennell: Sixty-five, 103. I wish to state unequivocally that I could not agree with at least 66 per cent of those bills. They will destroy the economy of Canada and take away the rights of Canadian citizens. They are bills which will expropriate the property of Canadians. The government has not accomplished very much since the session began in April, 1980.

The postal strike is very critical. It is hurting every person in this country. The large corporations need not worry, just the little guys who cannot collect the dollars. The banks will extend them money. With interest rates at 22 per cent, I can understand why a bank would be delighted to extend credit. We are not looking after the people of this country.

Concerns have been raised in this House about blood samples getting to hospitals. There are many examples of how this strike is destroying Canada just as much as the legislation that has been passed in this session. I support the Leader of the Opposition in his belief that we should stay here in order to give a message to the Canadian public that the government and the unions should get their act together and resolve this matter. I do not say we should necessarily give in to the union because this new round of wage increases will result in increased inflation. It is all we have seen in this House in this last session.

When they sit down at the table, the government blames the union and the union blames the government. Now they are all blaming Mike Warren who is being brought in as an extra. They cannot even do their own work without bringing in somebody who has not even started his job. He is to be chief executive officer of a corporation which has not yet been formed. If he can do it, that is great and I will give him credit. He may be successful. He has had a good deal of experience with a Conservative government in a part of this country. Perhaps a Conservative civil servant will be able to help out.

I would like to refer to some of the things the government has not accomplished and to which I take objection. This is the year of the handicapped. I attempted to move a motion under Standing Order 43 and raised a question in this House. I also wrote to the Minister of State for Finance asking for some relief for the handicapped people of this country who must use braces but are not in wheelchairs. I received the most ridiculous answer from the minister. Six weeks ago I wrote him a second letter, but I have not yet received an answer. This is why I complain that we should not be going home for a holiday until we accomplish what we have set out to do.

This is the year of the disabled. If the government were to protect one segment of our society, it could have been the handicapped. I came upon a situation where a gentleman suffered through 36 hours in the Toronto-Dominion Centre. They did not give a damn about him. That is exactly how this government feels about the citizens of this country who are affected by the mail not getting through. The only ones to gain will be the banks. The large oil companies will not suffer but the smaller ones will. They will not be able to get their working agreements with other companies through the mail.

Maybe it is time to look philosophically at the Post Office. Maybe the government's opinion is that if we leave them out long enough, the private sector may pick up. That is fine for those businesses and individuals who can afford it. However, we must address the situation of senior citizens who will not receive their cheques, as well as needy Canadians such as the handicapped who are not capable of going to government offices to pick up cheques. We must look after the unemployed who are out of work as a result of the poor economic policies of this government. To say they can stay out for two years and the private sector will look after them will not work. It will destroy small business and many individuals.

This government boasts about its great legislation. I would like to refer to one of the great pieces of legislation of all time, the National Energy Program. It has brought this country to its knees. I hope Lalonde and Leitch are using the federal express to correspond with each other.

Recently I had an opportunity to visit western Canada where I met with small service operators. It is not only those in the west who are going into bankruptcy. This is hurting every segment of industry in Ontario. When you bring the industrial heartland to its knees, you create a chaos from which this country cannot recover. Much as I would like to be lying beside my swimming pool or playing tennis, I would be willing to stay here till hell freezes over, and perhaps this place is the closest we will come to that, or at least stay here until next winter in order to try to get something moving.

Mr. Deputy Speaker: Order, please. The House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions, public bills, private bills.

• (1600)

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Deputy Speaker: Shall all orders preceding No. 1 stand?

Some hon. Members: Agreed.

* * *

PENSIONS

SUGGESTED LOWERING OF AGE ELIGIBILITY AND INCREASE IN MONTHLY BENEFITS

The House resumed, from Monday, June 2, 1980, consideration of the motion of Mr. Knowles:

That, in the opinion of this House, the government should consider the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $400 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this is an interesting motion which was last debated on June 2, 1980. It is a rather lengthy motion which includes more than one idea. The motion would provide for the payment of pensions at the age of 60 to all persons who are not in the labour market or who are prepared to withdraw from it. It would also provide for an increase in the old age security payment, that is, the basic payment as opposed to the increases that the Liberal government has recently given in the supplement. While I am sure the concern on all parts of the House is equal for people who are finding it difficult to manage on a fixed income, the different philosophies of the different political parties would, of course, suggest different approaches. Retirement at age 60 is something which is also being proposed now, I understand, by the newly elected socialist government of France, partly as an answer to the question of youth unemployment. Its slogan, I believe, goes something like: "Less work so that everybody works".

The approach includes not only early retirement, but also a shortening of the work week. This, of course, is one approach to youth unemployment, but we will have to watch it with some interest to see if, in fact, it proves to be effective because the jobs which are vacated by 60-year old experienced workers are not necessarily the jobs which will be suitable for 20-year-old or 18-year-old persons who are unskilled and inexperienced.

The other aspect, of course, is the problem of income maintenance for older people. This is very real. We all know that the poorest people in Canada at the present time are older women who have not been in the labour force long enough to have acquired pension credits. Women generally have interrupted careers and work at the kinds of jobs which do not carry private pension plans. In any case, the private pension plans in Canada have generally not served their members well. But whether increasing the old age security for everyone and making it available after age 60 is going to answer this, or is the best way to answer it, I think is very much open to debate.

The hon. member's motion would also eliminate any means test. The Liberal party's position has been to try to assist first those who most need assistance. Therefore, we have opted to increase the old age supplement, that is, the part of income maintenance which is means tested. We have increased this, and we will try to manage further increases for those people who are clearly in need of assistance. We would give a much lower priority to increasing the old age security, that is, the basic part of the plan which is paid to everyone, whether they need it or not, and whether they are wealthy or poor.

The fact that we would put the first emphasis on increasing the supplement rather than on the basic part of the pension does not, of course, alter the fact that we know that pensions, generally, in Canada are greatly in need of improvement. The Committee which was so ably chaired by Senator Croll produced some very interesting figures, and also a number of different solutions which I think should be looked at with at least as much attention as the particular solution advanced by the hon. member in this motion. That particular report suggested widening the eligibility of people to pay into the Canada Pension Plan, increasing the contributions, with the aim of everyone receiving more substantial Canada Pension Plan at the end of a career.

In terms of the question of retirement at the age of 60, this again is perhaps a question where one would like to see considerably more flexibility. Again, the report of the committee which was chaired by Senator Croll does, in fact, suggest flexible retirement ages because clearly there are many people who wish to work long after the age of 60 and are very capable of doing so. Increasingly, people are not only living longer but are also remaining healthy and active longer. On the other hand, there are people, particularly people who have done hard manual work, who are tired and who might wish to retire at age 60 or even earlier.

In my own constituency, I find that many people are having great difficulty in working, even by their mid-fifties, people who have worked very hard at backbreaking work in construction who have perhaps had an accident or two. People who, although intelligent, have not had the opportunity to upgrade their qualifications can find themselves at a very distinct disadvantage in the labour force long before the age of sixty. Indeed, I would like to see, as a higher priority, some special plans for people in that age group, for the older construction worker who is tired but who, once his physical strength has gone, is finding it very difficult to acquire the skills which would let him move into another type of job.

There was another aspect of the hon. member's motion which also gives me pause. The suggestion in the hon. member's motion that old age security for everyone be increased at age 60 without a means test, would mean a substantial cost. If that cost appreciably improves the lot of Canadians, then of course I would not quarrel with it because there are certain costs which have to be met in terms of social justice and humanity. However, as I think of the number of working poor, the number of families where one parent or both work very hard because they have a large family, and as I think of the needs of poor children in our society, I wonder if the shift of revenues toward older people and away from young people is necessarily in the best interest of society. My own preference would be for something in the nature of a guaranteed annual income, something which assists people of every age, whether employed or not, to have a standard of living which meets what most of us would consider to be a decent standard and which allows them to raise their children and educate their children—if they still have children of that age—without undue stress on both parents. We are increasingly seeing families with parents who are thoughtful and caring and who have much to give to their children, but are obliged to work such long hours that they spend little time with them. Something in the nature of a guaranteed annual income—one can call it by what name one would choose—it seems to me would meet the needs of both older people who need income supple-

ments and also the needs of some of these young parents who are struggling to give their children a healthy lifestyle and exhausting themselves in the process.

● (1610)

In closing, I would like to say that, while I appreciate and respect the concern about poverty among older people which is shown by the hon. member's motion, I would rather see an approach which would assist all poor people in Canada to use their own resources and to have the kind of equality of opportunity we would like everyone to have, whether young or old.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I too rise to speak in the debate on the motion put forward last June 2, 1980 by the hon. member for Winnipeg North Centre (Mr. Knowles). It is a great honour to speak to this motion presented by a person who has fought so hard for so many years for older people in Canada.

As the last speaker mentioned, the motion concerns amendments to the Old Age Security Act and the Canada Pension Plan. Although we are pleased to have this matter brought forward today, it is interesting that for some rather mysterious reason it is brought forward after last evening when members of Parliament voted themselves a generous pay increase. I think many of us recall the speeches made and the pleas made by the hon. member for Winnipeg North Centre last night on behalf of senior citizens across our land. I hope this bodes well for pensioners today and that there will be unanimous agreement on this motion, although I cannot help but comment that we have fewer than one dozen members of Parliament sitting listening to the debate on this motion on a Friday afternoon.

The motion put by the hon. member for Winnipeg North Centre over one year ago includes a number of points which I will quickly review. The motion concerns old age security and the guaranteed income supplement, as well as the Canada Pension Plan. In his motion the hon. member recommends that these plans should be available at age 60. It should not be for everyone but for those who are not in the labour market or those who choose—and they should have the right to choose—at age 60 to retire. They should have the assurance that they have adequate incomes on which to survive.

In his speech last year the hon. member pointed out that this also would make many more jobs available for young people in a rapidly tightening market situation. This, of course, is not the main reason for the proposal, and we hasten to point out that we would support the flexible retirement plans suggested by Senator Croll which would allow people to choose at age 60 either to work or to retire with adequate pensions as a right and not just as a token welfare gesture.

The motion also recommends increasing the old age pension to $400 for those aged 60 who are not working and for all people at age 65, the age upon which our universal old age pension is based.

The motion also recommends that the Canadian Pension Plan be reviewed and be changed so that it is available at age 60. This would make a consistent policy for all older people.

I think we should note also that the motion mentions several points which in effect are goals that we in the New Democratic Party would say are important goals for pensions and for older people. We should eliminate the means or income test so that pensions are a right and not offered as a matter of charity. We would see implicit in this that there must be tax reforms which would ensure that wealthy people receiving these pensions would be taxed back and that that money would go into the kitty in order to make this a universal and equitable plan.

I would like to make a personal reference. I have a neighbour next door whose name is Buster, a man in his eighties who never lets me forget the needs of senior citizens, just as my hon. colleague does not.

Mr. Knowles: Good for Buster.

Mrs. Mitchell: Because of him I could not vote on the bill last night, although I acknowledge that it is needed and certainly is just from the point of view of the work of members of Parliament. If Buster had been here yesterday, he would have been demonstrating outside, just as my colleague was demonstrating inside. He would have been fighting, not against pay for the very hard work members of Parliament do, but for a fair and adequate guaranteed income for the pioneers of our land.

Buster is typical of many west coast pioneers. He came from Ontario to the prairies when he was a young man. He worked on the prairies before the depression in days when things were very difficult. Then he moved to British Columbia. He worked in remote areas of the north. As a mechanic he repaired ships and often travelled up and down the British Columbia coast, stopping in at Indian villages and so forth. During the war he kept ships in repair. He worked hard to keep our navy in the state of repair which was needed. However, of all the experiences in his lifetime, this man will never forget the shame and indignity during the depression years. This pioneer was proud of his independence and worked hard all his life. He will never forget the indignity of having to ask for welfare to support his young family at a certain period during the depression. As we do, he believes that an old age pension and a guaranteed adequate income should be a right and that it should never, never be a charity for which people must beg or suffer indignity.

What is happening to our senior citizens today? In one's year time things are worse, not better. Granted, the Liberals fulfilled their one single token election promise and brought forward an extra $35 a month for senior citizens, but even with indexing this still leaves single senior citizens far below the poverty line, the poverty line for a single person being recognized as $5,500.

• (1620)

So even if we pass the motion of the hon. member for Winnipeg North Centre (Mr. Knowles), the combined old age pension and GIS will total only $4,800 per year, still below the poverty line. It is a year later and we should probably be going for more than a $400 increase. The cost of living for every senior citizen and every person aged 60 has gone up phenomenally in one year. Rents for the average older person in Vancouver are now far in excess of 60 per cent of their income. The cost of food is more than double. Fuel costs are up, and we have no cost of living supplement to help people in that regard. Taxes for those who own their own homes are up. Of course, we have extreme variations in the cost of living across Canada.

I put in a plea as well for increased pensions. We should also have shelter allowances, particularly to help older people faced with exorbitant costs of shelter, whether it be their own home or rental accommodation. We certainly must have pensions increased to at least $400 a month. If you think of your own parents or friends in the 60 year old age group, with the changing employment situation and the fact that as people get older they have to retrain or be forced out of the labour force, surely it is reasonable to give people a choice at that age of whether to continue in the work force or to retire with dignity.

I would like to speak for a moment to the pensions, which do not at all provide for the needs of women. My friend and colleague mentioned this in his speech last year, and many times since then. We know the system discriminates against women, particularly those in that very important class of workers, the homemakers and parents raising children. They are in effect raising the new generation. Many of our women now reaching 40, 50 and 60 years of age have worked very hard in raising their families. In the case of women on the farm, for example, they have carried on another full-time job as well. In recent years, of course, they have worked in industrial areas and in the community, as well as in the home.

Now, if we could just think a moment about the working conditions of the homemakers. Their job requires long hours, particularly when children are younger. They have no control over the working hours and they work seven days a week. They have no pensions, no benefits and no holidays because even on their holidays they usually go off with their families and do the same things they do at home, only under more difficult circumstances. In essence, they are workers in a most terrible and deplorable situation, yet they have no financial compensation. They have no cheque coming in that they can consider their own, that they can go and spend, probably on the family, but at least something they can decide to spend in their own right. They have no money to pay into the Canada Pension Plan, which brings us back to this motion. It is really very important that we begin to look at how this group of workers can have some form of income. We have some proposals on that which I will perhaps speak to another day, which will give them an allowance and give them the choice of working outside the home when children are younger, and thereby enable them to contribute to the Canada Pension Plan.

In British Columbia over the past year the New Democratic Party sponsored a task force on older women. We travelled to many parts of British Columbia, remote areas in the interior as well as the larger metropolitan areas. We spoke to many women in their middle and older years and those who work with and are concerned about women in that age group. Without exception, every group presenting briefs, every man or woman who spoke on the situation, stressed that we in Canada have to change the pension system so that women who are likely to be unemployed in their 50s or 60s, if not earlier, have a decent guaranteed income. In addition, they should have decent pensions to protect them as they get older.

We are pleased, of course, that the bill concerning widows went through yesterday. That is one step, but it is not enough. We have to have adequate pensions for everyone, but particularly for women and particularly at age 60. The Liberal party—and I am sorry all the representatives of the Liberal party left the House during this discussion on pensions, which I hope is in the record.

Mr. Knowles: Not one Liberal is now in the House.

Mrs. Mitchell: The Liberals have talked about pensions as being the responsibility of the private sector. We have had a number of conferences recently, such as the national pension conference which was limited to private sector input, and we have had Liberals, particularly the Minister of National Health and Welfare (Miss Bégin) condemning the private sector for not taking action, seizing the moment to advocate expansion of private pension provisions. Yet these are the people who should be taking the responsibility, not for private pensions—sure, let us improve private pensions if we can, but they will never meet in a comprehensive way the needs of the people of Canada.

So we would like to see a much stronger emphasis by government on public pensions. I see no better motion or resolution than the one presented by the hon. member for Winnipeg North Centre. We support it wholeheartedly and ask the endorsement of other parties.

Mr. Hawkes: Mr. Speaker, I wonder if the hon. member for Vancouver East (Mrs. Mitchell) would permit a brief question in relation to her remarks?

Mr. Deputy Speaker: Does the hon. member for Vancouver East accept a question?

Mrs. Mitchell: Yes.

Mr. Hawkes: I listened with great interest to the hon. member's remarks, but I am a bit puzzled as to the position of the hon. member and her party. Having sat on the Constitution of Canada Committee, and in particular having dealt with clause 15, it seems to me there would be an anomaly in supporting the Constitution and this motion at the same time because the Constitution would, in effect, rule out the use of age as a criterion. In fact, we are dealing with a motion to extend pensions to people at 60 years of age, and I am

wondering how we can support that and the Constitution at the same time, given that anomaly?

Mrs. Mitchell: Mr. Speaker, I did not sit on the Committee on the Constitution of Canada to the degree the hon. member for Calgary West (Mr. Hawkes) did. However, we have already accepted the right of people at age 65 to a pension, and surely in any charter of rights we accept the point that there will be adequate living conditions for people, regardless of age. Surely the rights of the aged are implicit in our Constitution.

I do not know whether it would be appropriate for my colleague, the hon. member for Winnipeg North Centre, to speak to that.

Mr. Deputy Speaker: According to the rules, the hon. member has spoken in this debate. Is there unanimous consent of the House to allow the hon. member to speak if he wishes to make an intervention at this point?

Some hon. Members: Agreed.

Mr. Knowles: Mr. Speaker, I thank the House for giving me the opportunity. I suggest that the hon. member for Calgary West (Mr. Hawkes) is really drawing a long bow if he suggests that the provision against discrimination with respect to age means we have to pay family allowances regardless of age. Do we pay them to people as old as I am, or do we pay old age pensions to people as young as he is? Surely that is not the meaning of the provision in the Constitution that people shall not be discriminated against because of their age. The fact of the matter is that when people get older, if there is not security for them, they are being discriminated against because of their age. I think that would be a better way in which to interpret that provision.

● (1630)

Mr. Al MacBain (Niagara Falls): Mr. Speaker, I am pleased to have an opportunity to hear some of the many different views held by various members of the House on the topic of retirement and benefits for the retired. I am especially glad to have the chance to make some comments on this very timely issue.

Hon. members have spent a fair bit of time discussing the many facets of retirement. In particular, they have discussed the present motion and its ancestors which entail making retirement benefits available at age 60 for those not in the labour market. I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) is not advocating that all Canadians must or should cease paid employment immediately upon attaining 60 years of age. What I find particularly interesting is that we have two schools of thought on the issue of retirement age: one supporting a longer working career and the other a considerably shorter one. Could this be a reflection of an ambivalence toward working and retirement being felt by the Canadian population? I believe this must be so. It would be all too easy to dismiss this social phenomenon as an indication that people simply do not know what they want. On the contrary, it seems to be a very real and important demonstration that the Canadian public is not just simply a faceless mass moving uniformly in one direction. Rather, in this age of awareness Canadians are coming to the natural realization that different people have different needs and expectations. For some, their lifetime fulfilment and objectives are met in their work world. They want, are capable of, and very much need this continued contact. For others, their lives are not motivated by a need to work in paid employment. They find the important qualities in their lives outside the labour market. Each approach to living is equally valid. Our vigil will be long-enduring if we intend to wait until the Canadian population reaches a consensus on such an individual and personalized matter as retirement and optimum retirement ages. A final distillation of views may never materialize.

How can we as legislators best respond to a situation where there is no clearcut right and wrong, where in fact what is right for one might be entirely wrong for another? The only reasonable course to follow is one which will provide the maximum amount of flexibility, one which allows Canadians to have as much access as possible to the greatest number of options.

It might be worthwhile at this point to examine the development of our present retirement system. Not so many years ago the Canadian public was coping with almost the entire responsibility for providing for its income needs after retirement from the work force. As recently as 1965, the income guaranteed to a retired Canadian by the Government of Canada was only $75 per month, payable at age 70 under the Old Age Security Act. Some were lucky and were able to participate in an employer-sponsored pension plan, but others were not so fortunate and had to provide from their own resources and savings. Some simply could never afford to retire and were obliged to continue working. Since then some dramatic improvements have been made in retirement benefits for the elderly.

In 1966, the retirement age for old age security began to be reduced a year at a time until it reached the present OAS retirement age of 65 in 1970. Also in 1966 the Canada Pension Plan came into effect. A compulsory, contributory pension plan, the CPP provides coverage to virtually every Canadian wage earner and has become increasingly important as a source of present and future retirement income.

Parliamentarians did not intend that these two programs would provide all the retirement income Canadians might wish to have. Rather, the Canada Pension Plan and the Old Age Security Act were seen as providing the foundation of a layered retirement system. The first level, the flat rate old age security pension, provides a base upon which the second level, the earnings-related Canada and Quebec Pension Plan benefits, is built. Together with the guaranteed income supplement, these benefits ensure a minimum amount of income which adequately provides for the basic needs of retired Canadians. There is still ample room for Canadians to apply their initiative and supplement this minimum amount, because the third level of the system is the additional income available through private pension plans, registered retirement savings

plans, investments or other sources which can be seen as providing whatever supplementary margin of comfort the individual might require.

This retirement system gives Canadian workers a great deal of flexibility in determining when they will retire. First, there is no federal statute legally requiring the retirement of each and every Canadian at a specified age. Benefits are available at age 65 under both the OAS program and the CPP, but neither stipulates that in order to receive benefits the individual must be retired or removed from the active labour force.

A wide array of retirement options is available to Canadians. Almost two million Canadians have taken advantage of the tax savings and the wide range of choice allowed in setting up registered retirement savings plans. When the time comes to turn their savings into retirement income, taxpayers can either invest their RRSP proceeds in a life annuity with an insurance company prior to reaching 71 years of age, or withdraw the funds in a lump sum and pay income tax on this amount in the same year. Two additional alternatives increase flexibility while retaining the basic principle that RRSP funds are for retirement income. The first alternative allowed the purchase of a fixed term annuity to provide benefits to age 90. The second alternative allowed taxpayers to have RRSP savings placed in an investment vehicle known as a registered retirement income fund. The transfer of an RRSP into any of the retirement income options can occur at any time between age 60 and age 71. These alternatives provide a range of choice available to Canadians in planning for their retirement.

The motion before us today is not new to the House. This is not the first time the hon. member for Winnipeg North Centre has proposed this motion. If the hon. member's tenacity in the past is an example of what is to come, it will probably not be the last time.

Mr. Knowles: Hear, hear!

Mr. MacBain: But I think there is a very real danger in over legislating. Governments have been accused of this tactic in the past. It is time we all recognized that it is nearly impossible to devise a plan with universal applicability which, at the same time, has the capability of adapting to individual needs. Perhaps it is better to have a straightforward basic plan which is fairly simple to administer and from which the individual, if he or she wants, can build to develop a personalized retirement package.

● (1640)

The issue of retirement age has been debated in this House on many occasions, as I have said, and that in itself is evidence of our concern and desire to explore the various approaches to retirement. As our elderly population continues to grow, the age of retirement becomes more and more relevant, both in economic and in social terms.

What have elderly Canadians a right to expect? Canadians have traditionally believed not only in the right to work but in the right to work for as long as they wished, or were able to. Hon. members will agree that as a fundamental right senior Canadians should have the right to make reasonable personal choices. It follows then that we must retain a retirement income system in this country which makes some provisions for individual options.

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

Mr. Deputy Speaker: Would the hon. member permit a question from the hon. member for Winnipeg North Centre?

Mr. MacBain: Yes, Mr. Speaker.

Mr. Knowles: In view of the fact that the hon. member believes that senior Canadians should have a number of options, does he not agree that one of those options should be to retire at 60 and have a reasonable measure of security?

Mr. MacBain: Mr. Speaker, I appreciate the hon. member's question. The cost of retiring at age 60 may make it impossible for most senior Canadians to exercise that option. It may be holding out something which at this point in time we cannot offer.

Mr. Knowles: Then, is the hon. member limiting the number of options which he holds out for senior Canadians?

Mr. MacBain: I think to that extent, yes, Mr. Speaker.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to comment on the point raised by the hon. member for Calgary West (Mr. Hawkes). This is one of the points which concerned me, and probably others, with regard to the Constitution wherein it is said that there is no discrimination because of age. The hon. member for Winnipeg North Centre expressed the hope that there would be no discrimination because of age. The difficutly is that when this provision is written into the charter of rights, if the judges decide that is the case, then our hands are tied. This is one of the very dangerous points of that type of legislation if left to the judges to decide and not to the legislators of our country. If some decision needs to be made without it being tied into the charter, individuals could come to their members of Parliament and members of their legislatures and the matter could be brought before the government of the day which could see that justice was done. But if a decision is given by the Supreme Court of Canada, then our hands are tied until the Constitution is changed. I hope that is one of the reasons why the Supreme Court judges will throw it out.

The next point I would like to mention is that social legislation is important in any country. The party to which I belong is very conscious of the importance of social legislation. I think probably every party in Canada has its own social legislation program. I personally feel that social legislation should be written in such a way that our people generally come under that legislation. That is why I question the social legislation which is now included in the negotiation package of our postal service which is presently on strike. They are asking for a maternity package. If it is granted, then one particular group will have better maternity benefits than any other group in Canada, including those on unemployment insurance. Thus,

differences begin to build up between women. Some receive a certain amount of money under one program and some another amount of money under a different program, and others still receive nothing because they come under no program. I feel that social legislation should be enacted by the governments of the day, nationally by the federal government and, to the extent they can, by provincial governments. This would allow all women to come within a similar category for similar benefits. This is my view. I object to including maternity benefits in a negotiation package for just one small group. I believe in maternity benefits. As a matter of fact, I was part of the legislation in Alberta which led the way with regard to maternity benefits several years ago. I believe that course was followed by other governments later. The fact that babies were to be born in hospitals and not in some other places saved the lives of hundreds of babies born during the depression years.

Something else which always appalls me about social legislation, and which causes me great difficulty when explaining it to the people who come to me, is where there are differences between two women on one street, for example. Both are widows; one is 62 years of age and the other is 64. Neither one's spouse came under the old age pension but the spouse of one had contributed to the Canada Pension Plan and the spouse of the other had not, for the simple reason that he was not working during the period of 1976, or because he was working in a field in which that pension was not deducted. Both these women came to see me at the same time. They told me they had come to me to see whether they could receive the Canada pension. I asked them if their husbands had contributed to the plan. As I said before, one husband had and the other had not. Neither of the two women had contributed since they were housewives. I was able to tell one of the ladies that she qualified for a certain amount of Canada pension and that I would be glad to fill in the application for her. I told the other lady that it was no use because she had never contributed. She said that she had no opportunity to contribute, nor had her husband. I recognize that, but they receive no Canada pension.

This type of social legislation where we make differences of flesh of one and fish of another does not lead to a good feeling among our people. In my view, our social legislation should be overhauled with a view to giving the benefits to all those who fall within that group.

I recall that when I was first campaigning for the House of Commons in 1979 I knocked at a door in a small town. When the lady came to the door, I introduced myself. She said that she wanted to talk to me, and also to every other candidate, but so far I was the only one who had knocked at her door. She said she wanted to contribute to the Canada pension and that she was a housewife. I do not believe she had a husband, I guess she was a single woman. I did not go into all the details of her life. She said that she was able to contribute and that she should have the right to contribute. I rather agree with that. The women who are spending their lives in the kitchen and who are raising children, who are doing one of the most important jobs in the nation, should have the right to contribute to the Canada Pension Plan. If that legislation were so amended that would be fine.

● (1650)

There is still another group, however, those who will not be able to contribute. When people get to the age where they need help, are we going to treat them on the basis of whether they did or did not contribute to the plan? I think that is an important point. People of an advanced age who need help should get it, and that is where I differ somewhat, not too much, from the hon. member for Winnipeg North Centre on the matter of universality.

I know people who are aged 66, 70 or 75 today who are well off and are drawing the old age pension. They have plenty to get by on and do not need it but as there is universality, they are entitled to it under the law. Personally, I question that.

Universality sounds fine and at one time I advocated it but when we see what social legislation is costing the nation, and when we consider that many people get nothing, then I think we have to reassess the situation. We must ask if those who are well off and have made provision for their senior years and are not going to suffer in any way, should draw this allowance while other people in the age bracket who need it badly, get nothing.

I think of single women between the ages of 60 and 65. If a woman's husband was a pensioner and she was on spouse's allowance, she is fortunate, because the legislation that the Clark government introduced to continue that pension for the spouse filled one gap. A lot of women did not have a husband who was a pensioner and indeed, some did not have a husband at all. I know one woman who spent her life looking after a disabled sister. She has no way of getting help, except through welfare. An hon. member from British Columbia told us that some people who have been independent all their lives are reluctant to go to the welfare office. I think the welfare office has its place, Mr. Speaker, and I do not look down on anyone who has to go there. It is there to help people, but in spite of anything we say, many people feel that there is a disgrace in applying for welfare.

I think we made a mistake in our social legislation when we did away with the disability pension. There is a disability pension today if one has contributed to the Canada Pension Plan but a lot of people did not and are now dependent on welfare. They should be in a different category. At one time there were two disability pension plans, the federal and the provincial—at least the province of Alberta had a plan and I suppose other provinces did as well. At present the only disability pension is paid under the Canada Pension Plan. In many cases the only redress for the disabled is to seek help through welfare, and that is not satisfactory.

I think the government realizes that a lot of work has to be done on pensions. The Canada Pension Plan does not do the complete job and that is aggravated by the pension bill passed in this House last night for MPs and senators. They can now draw a full pension at age 35 if elected at age 20, based on the best six years of earning. That is pretty rich, when someone

can draw a pension for life at age 35, or 40 or 45, when they are still in good health.

I think we have to inject some sense into this, Mr. Speaker. Surely pensions should be paid as the result of a number of years of service and contributions. Even if the pensioner has contributed part of it, someone else has paid the other part. I think this type of pension should be reassessed.

With regard to the Old Age Security payment at age 65, one of the things we can do is change the compulsory retirement age in many industries and services from 65 to at least 70. Even 70 may be questioned if a person is well and able. I know of people working on farms today almost as hard as they did 20 years ago and they are now aged 71 and 72.

Mr. Cousineau: Some people of 70 still play a great game of hockey!

Mr. Taylor: I don't know about that. These people are happy, Mr. Speaker. I know a chap who took early retirement—I have to talk fast, Mr. Speaker—from the Department of Highways. He was an excellent engineer but that was all he knew. When he retired, he sat in his back yard and dreamed about the bridges and roads he had built. He just lasted two years. He took retirement at age 61 but he had nothing to do then. He had worked hard all his life and suddenly he found there was nothing to live for. That is a real danger.

We all like social legislation, Mr. Speaker. Someone made the point that lowering the age to 60 for those who are not in the labour market or who are prepared to withdraw from it is a redeeming feature of the bill. I think all our social legislation needs to be reassessed so that we can help those who need help and that we do not provide pensions for those who do not need them.

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BUSINESS OF THE HOUSE

[*Translation*]

Mr. Pinard: I rise on a point of order, because I do not want to deprive my colleague of his right to speak with regard to the business of the House. We still intend to proceed on Monday with Bill C-48 but we may instead decide to resume debate on the adjournment motion started today. Probably before the end of the question period on Monday we will be able to advise the opposition parties whether we will debate the report stage of Bill C-48 or whether we will resume debate on the adjournment motion. Should I know before the question period, I will advise my colleagues. For the time being we intend to proceed with Bill C-48, but I must inform the House that we may instead decide to continue debating the motion to adjourn. In any event, I shall advise opposition parties before the end of the question period on Monday.

[*English*]

PENSIONS

SUGGESTED LOWERING OF AGE ELIGIBILITY AND INCREASE IN MONTHLY BENEFITS

The House resumed consideration of the motion of Mr. Knowles:

That, in the opinion of this House, the government should consider the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $400 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I enter this debate with pleasure although there is not much time remaining to make a contribution. I should like to speak for more time, of course.

At the outset, I should like to say that I have the utmost respect for the hon. member for Winnipeg North Centre (Mr. Knowles). He has contributed greatly in his role as a parliamentarian for, I believe, 35 years.

Mr. Knowles: Thus far.

Mr. Evans: But for the unfortunate hiatus of four years he would be, by far, the dean of the House of Commons for longevity of continuous service. I still consider him to be the dean of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Knowles: How about agreeing to my motion, then?

Mr. Evans: Mr. Speaker, I cannot agree with his motion. As Parliamentary Secretary to the Minister of Finance I have some problems with the motion. The main one is that I think that at this time the OAS represents an outlay in the range of $6 billion per year. If we were to accept the motion and make the OAS payable at age 60 and incorporate the GIS, that would mean an additional outlay of some $5 billion per year and would raise the total outlay for the program to $11 billion, or nearly doubling the cost for all time.

Mr. Knowles: That is what every Minister of Finance has said: we cannot afford it.

[*Translation*]

Mr. Deputy Speaker: Order. The hour provided for the consideration of private members business has now expired.

[*English*]

It being five o'clock this House stands adjourned until Monday next at two o'clock in the afternoon, pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, July 13, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

POSTAL STRIKE—GOVERNMENT POSITION ON BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a matter of consuming concern to all Canadians. Inasmuch as the government appears intimidated by statements that postal workers will not be legislated back to work, and whereas the government should rather be motivated by the plea from groups such as the Chamber of Commerce of Oliver, British Columbia, who ask that government get the mails moving again before irreparable damage is done to the thousands of small businessmen already imperilled by the government's high interest rate policy, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That this House condemn the government for its irresponsibility in eliminating all consideration of back to work legislation, thus playing into the hands of the CUPW leadership.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

MAINTENANCE OF EXISTING PASSENGER SERVICE—MOTION UNDER S.O. 43

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the government's plans to slash rail passenger service by simple order in council pose a serious threat to many western communities. Saskatoon is slated to lose two ways. Not only is the east-west service of the Super Continental to be abandoned and replaced by day trains, but the city will lose its complete north-south connections with the scrapping of the Regina-Prince Albert route. Instead of double track, Saskatoon is getting a double cross and a double whammy. I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government cease its practice of reorganizing Canadian rail passenger service by executive fiat and that existing passenger service be maintained until there has been an opportunity for full public debate of the abandonment question.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

POSTAL STRIKE—RECOMMENDATION GOVERNMENT ACT TO END DISPUTE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of obvious urgency. The strike affecting postal service in this country has swiftly become a cause of grave concern. In addition to creating a measure of varied inconvenience for almost all Canadians, the strike is forcing thousands of businesses to face the very real prospect of financial ruin. In light of the fact that the livelihood of many Canadians is in severe jeopardy, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the government recognize the seriousness of the situation, accept its responsibility to the Canadian public, and take firm and immediate steps to end the postal strike.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

BILINGUALISM

DEMAND THAT GOVERNMENT RESPECT ITS OWN LAWS—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, under Standing Order 43 I request the unanimous consent of the House to move a motion on an important and urgent matter.

As the joint committee on official languages has admitted that practically no federal institution fully respects the Official

Languages Act, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the House ask the government to respect its own laws with regard to services in the language of minority groups.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

METRIC COMMISSION CANADA

COST OF COURIER SERVICE TO DELIVER COOK BOOKS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Because of the postal strike the Metric Commission is using private courier services to distribute metric cook books at a cost to the Canadian taxpayers of $12 each delivered to Winnipeg. I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the government launch an immediate investigation to determine how widespread this wasteful use of courier service is within government departments, stop the distribution of metric cook books at $12 a copy for Winnipeg delivery, and limit the use of private courier service to the delivery of essential documents.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

POSTAL STRIKE—CALL FOR INTRODUCTION OF BACK TO WORK LEGISLATION—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the disruption in postal service is creating hardship for many Canadians, and many small businesses already hard hit by record high interest rates are forced to close their doors and lay off their employees, and whereas a prolonged strike will create hardship for many of the members of the Canadian Union of Postal Workers who did not want a strike in the first place, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That this House direct the President of the Treasury Board to introduce legislation forthwith which would provide for an immediate resumption in postal services and a legal obligation for both parties to resume negotiations, for passage in the event that both parties fail to resume negotiations immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

PENSIONS

CALL FOR LEGISLATION TO IMPROVE BENEFITS FOR WOMEN—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, counting on the desire of this House to give help to those who are in need, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House calls on the government to introduce forthwith legislation to improve the pension position of women, such legislation to include in particular pensions for women between the ages of 55 and 65 who are alone and who are not in the labour market, it being the view of this House that the needs of such women should be met without further delay.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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RAILWAYS

EFFECT OF PLANNED SERVICE CUTS ON WESTERN CANADA—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, in view of the very strong protest made by the administration of the city of Edmonton, the Edmonton Chamber of Commerce, and hundreds of Edmonton citizens against the planned cancellation of rail service west to Vancouver and east to Saskatoon and Winnipeg, as a proposal completely and totally unacceptable to the residents of Edmonton, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the cabinet order public hearings to be held before any cancellation or reduction in service is imposed in order that the fullest consideration can be given these moves which will have such a disastrous effect on the economy and unity of western Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

POSTAL STRIKE—SUGGESTED USE OF PARLIAMENTARY TIME—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the almost total dependency of rural and small town Canadians on the mails for information, business exchanges, pension cheques, and numerous transfers of important personal data, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the government assume the responsibility it has for the welfare of individual citizens, particularly those who do not enjoy the communication opportunities and advantages of those in cities and larger urban centres, and use the House of Commons time, provided by the opposition, to deal directly with the number of measures available to get the mail moving again.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CONDEMNATION OF GOVERNMENT POSITION—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I too rise under the provisions of Standing Order 43. Whereas in 1975 the 42-day postal strike cost the people of St. Catharines about $8 million, and it is estimated to date that the current postal strike has cost just that one community some $2.6 million in lost revenue and extraordinary expenses, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That this House condemn the government for allowing the current postal strike to inflict this kind of loss on the business communities of this country without making any serious effort to negotiate a settlement.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN WHEAT BOARD

REGULATIONS GOVERNING CHARGES ON TRANSPORTATION OF MALT BARLEY—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas, when Canada Malt in Calgary is required by the Canadian Wheat Board to ship malt barley to Thunder Bay or Vancouver by truck or train, whichever has the most favourable price for the Canadian Wheat Board and the said cost is charged to the farmer; and whereas some 30 per cent or more of the said malt is consumed in Alberta, but even so each farmer is charged the freight to either Vancouver or Thunder Bay, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That the Canadian Wheat Board amend its regulations so Canada Malt will not be required to charge freight to farmers whose malt barley is not shipped to Vancouver or Thunder Bay.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

PROVISION OF SERVICE IN EDMONTON AREA—MOTION UNDER S.O. 43

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I rise under the provisions of Standing Order 43 because this is a very urgent matter in the Edmonton area, and I would hope the minister would cease and desist from stopping VIA Rail service in the Edmonton area. Therefore I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the minister disallow the CTC and DOT from stopping this service in our particular area.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSTAL STRIKE—GOVERNMENT INITIATIVES TO END DISPUTE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question has to do with the postal strike, and I want to direct it to the Prime Minister because the matter is becoming of such grave concern to so many individuals across the country that it should no longer be left simply to one minister but should be the demonstrated concern of the whole government.

On Friday the government indicated it had no intention of meeting the union's one condition for reopening negotiations, and today Mr. Warren has indicated he does not intend to become a bargaining instrument, to use his phrase, of either party. The Prime Minister must know the damage which is being done to countless individual Canadians across the coun-

try, and to countless Canadian businesses. I wonder if the Prime Minister will tell the House of Commons what initiatives the government plans to take today or tomorrow to end this crippling postal strike.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we had made it clear that we hoped the issue would be resolved at the bargaining table. I believe it is unfortunate that the Leader of the Opposition took away from the government any hope that that would happen by forcing Parliament to stay around—

Some hon. Members: Oh, oh!

Mr. Crosbie: Do your job and govern the country.

Mr. Trudeau: —thus giving the union cause to believe that it does not have to settle because Parliament will settle the matter for it. I think that is contrary to the spirit of the law and contrary to the whole matter of industrial bargaining whereby the employer and the union try to negotiate an arrangement which is acceptable to both of them. If one party uses the strike route, as it is entitled to do under the law, then that route should be respected.

I repeat that the government is aware of the distress this is causing, or any strike causes. This strike is certainly one which is regrettable, but I find it unfortunate that the official opposition should have forced Parliament to continue sitting—

Mr. Beatty: Now answer the question.

Mr. Trudeau: —at a time when the parties were seeking some way of solving the dispute by bargaining, not by enforced return.

Mr. Clark: Madam Speaker, we have all known for a long time that the Prime Minister would rather govern without Parliament and that he regards Parliament as a nuisance. We regard Parliament as an institution which has a duty to protect the interests of individual Canadians, and those interests are being deeply damaged today.

REPORTED OFFER TO SUBSIDIZE COMMERCIAL CLIENTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister did not indicate what new initiatives he plans, except to let individual Canadians continue to suffer. But perhaps he will not let the rich and the powerful suffer. I wonder if the Prime Minister will confirm the report by the Canadian Press that the Post Office itself confirmed that before the workers went out on strike the Post Office contacted banks, insurance companies, and other rich clients of the Post Office, and offered to subsidize their courier services during a strike. Will the Prime Minister confirm that such an offer was made to the Post Office's commercial clients and that it was made several days before the strike began?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have no knowledge of that. I imagine it is another canard peddled by the right hon. member, but I will inquire.

STATEMENTS MADE BY POST OFFICE SPOKESMEN

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me direct a question either to the Postmaster General or the President of the Treasury Board. Can he confirm the Canadian Press story today that the Post Office offered to arrange private courier service for its priority mail customers several days before the postal strike began? Post Office spokesmen confirmed that today. The report cites Post Office spokesmen.

An hon. Member: Who was that?

Mr. Clark: Will the Postmaster General tell this House now whether that is a correct report and whether there was an offer to subsidize the mail of the rich and the powerful during the postal strike, prior to that strike's occurring?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am not aware of this. I doubt it very much. If the right hon. member were able to give a name, it would be very helpful. I will inquire, but this story surprises me very much.

Mr. Cousineau: It must have been in the *Sun,* Joe.

PRIME MINISTER'S POSITION ON BACK TO WORK LEGISLATION

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question which is supplementary to that of the Prime Minister, who has given us a very interesting reason for refusing to consider back to work legislation. Not very long ago he said he would not introduce such legislation because Mr. Parrot would not obey it. Now he says he will not introduce it because Mr. Parrot wants it. Will he come clean with this House as to what his reason is?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, when the process of collective bargaining ends in a strike it is generally because the union wants to make somebody suffer, the clients, the employer and so on. This is the process now. That is why unions declare a strike, because they know there will be economic pressure on the employer to settle.

We know, Madam Speaker, one way of getting the union off the hook would be to settle the strike by legislating them back. Mr. Parrot said if that happened he would not intend to obey the legislation. That is not a reason in itself for not legislating them back. The reason we did not want to legislate is because we believe that in a system where we have free collective bargaining the matter should be settled by the employer and employee bargaining together, rather than by having Parliament step in and solve the problem—in this case probably for

the union because I do not think they have the support of the people. Therefore, they are happy to have the support of the opposition in a legislated settlement, rather than one which is reached through fair collective bargaining.

PLANS FOR RESUMPTION OF NEGOTIATIONS

Mr. John Bosley (Don Valley West): Madam Speaker, the public interest only seems to matter to the Prime Minister when the banks, insurance companies and others are not covered, which they already have been.

Not very long ago the current Attorney General set a record. In two years, when he was president of the Treasury Board, we lost 900,000 man-days to strikes and lay-offs. The current President of the Treasury Board has set a new record. In one year and four months we have lost 1,400,000 man-days from strikes and lay-offs. Will the Prime Minister tell Canadians this: why should any Canadian have any reason to believe that a settlement will be achieved under a man whose record is strikes, lay-offs, and days lost, and why will the Prime Minister not tell Canadians exactly what it is he will do if he is serious about getting the parties back to the table?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, any employer at any time can settle a strike by giving in to the union and giving them what they ask. As the President of the Treasury Board indicated the other day, if we were to give in to the maximum demand of the union it would be a salary increase of some 28 per cent in one year. That is the price which could have been paid at the outset to avoid a strike. However, we on this side believe it would have been irresponsible to introduce that kind of settlement. Since it is the opposition which has kept the House around, presumably to have a legislated settlement, maybe I could hear from the hon. member or his leader what they would be prepared to offer to settle the strike.

Mr. Crosbie: Turn over the government.

QUERY RESPECTING GOVERNMENT MOVE TO RESUME NEGOTIATIONS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board. Just a minute ago the Prime Minister said the two parties are bargaining. Regrettably, as everyone knows, that is not the case. The postal workers have made two steps to try to return to the bargaining table, the first where they said if the government would accept the conciliation board recommendations, they would go back, which the government turned down; then they said if Mr. Warren, the head of the new Crown corporation to be set up to run the Post Office, joined the table, they would go back. The government has turned that down.

Since in the bargaining process a conciliatory attitude is a two way street, I ask the minister when is the government going to make a serious move to resume negotiations?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I certainly welcome that question, given the fact we have no preconditions for negotiations. I call that a conciliatory position, compared to a union which first of all establishes preconditions and then substitutes another precondition for the former precondition. It becomes perfectly apparent, Madam Speaker, that the union to date has shown no interest in negotiations.

In any event, I am pleased to advise the House that I have today requested Treasury Board to apply to the Public Service Staff Relations Board for the appointment of a mediator. Let us hope that this at least will be a step with which the union will see fit to co-operate.

● (1425)

ROLE OF MEDIATOR

Mr. Edward Broadbent (Oshawa): Madam Speaker, with specific reference to the appointment of a mediator, will the mediator have the same mandate which the negotiators for the government had before talks broke off? Will the mediator be locked into the government's previously established position, which means that there will not be any mediation at all, or will he begin with an assumption that the government's appointed conciliation board recommendation is a pretty reasonable one, namely, that the cost difference between what the conciliation board recommended—which the union has gone along with but the government turned it down; it was only 2 per cent—and what the union is really after are non-costly work conditions, civilizing conditions, in the workplace? Will the mediator have a mandate which will enable him to make appropriate gestures in the direction of the government's own conciliation board recommendation?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, first, the mediator does not have a mandate. The mediator will be there to mediate between the parties. Since we are unable to bring the union to the negotiating table and talk directly with the union, we must have an intermediary. We hope the union will accept a mediator.

When I hear statements to the effect that some of these issues are not costly, I would remind the hon. Leader of the New Democratic Party that some of the particular issues which will be the subject of mediation are very costly. I suggest that we are talking about a wide variety of issues. We have always been prepared to sit down and negotiate without preconditions, but we insist that the union come forward and accept mediation at this stage in order to unblock the impasse.

WORKING CONDITIONS AFFECTING WOMEN

Mr. Edward Broadbent (Oshawa): Madam Speaker, my final supplementary question is directed to the same minister. The minister knows, if the mediation process is to be successful at all, that the mediator must take in there a different attitude than that of the government. Does the minister dispute the claim that the gap between the conciliation board recommendation and what the government has already indicated that it

would be prepared to do is only to 2 per cent? The union has indicated publicly and privately time after time that it is interested in non-costly matters, working condition matters which substantially affect, if they are implemented, the equality of condition for women in the country.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, with respect to the question of the equality of the condition of working women in the country, we indicated before the strike began that that is an issue we would very much like to sit down and negotiate at the bargaining table, which we have been unable to do. Clearly that is an area in which we would very much welcome an exchange of views between the union and ourselves. Otherwise, when the Leader of the New Democratic Party says that privately and publicly the union has taken positions which are very conciliatory or not costly—

Mr. Broadbent: What about the 2 per cent?

Mr. Johnston: —I would remind the House that the union position to date has been simply this: if the government accepts en bloc the recommendations of the chairman of the conciliation board, then they are prepared to sit down and negotiate the contract they would like to have. It has always been the conciliation board report plus—

Mr. Broadbent: No, it has not.

Mr. Johnston: That has always been the official position taken by the union.

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RAILWAYS

REQUEST FOR INTRODUCTION OF VIA RAIL LEGISLATION

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. Is it still the intention of the government to cut back drastically rail passenger service in the country, affecting some 21 routes across Canada? If so, and given the fact that VIA Rail was never properly constituted or established under the parliamentary process, is it the minister's intention to bring to the Parliament of Canada a new VIA Rail act this autumn, as was recommended by the Standing Committee on Regulations and Other Statutory Instruments? If it is the intention of the minister to bring forth a new VIA Rail Canada act, would it not be reasonable for the minister and the government to defer any cutbacks in rail passenger services until such time as the mandate, the objectives, the whole regulatory mechanism and the route structure can be debated fully by Parliament?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, on the first subject, I am not in a position to comment because the decision of cabinet has not been made. On the other subject, that is the usefulness or necessity of having a VIA act, I am in full agreement with the views expressed by the hon. member and others.

The problem has always been with the agenda or the timetable of the House. In 1977 when VIA was created by an item in the estimates, presumably there were too many items on the agenda of the House. Last year I gave priority to the problem of the transportation of dangerous goods. This coming year, as the hon. member knows, we have the ports policy to bring up. We also have the independent air safety board to create. Thus, time is really the problem. Everyone agrees that VIA is entitled to legislation of its own as one of the major Crown corporations. I am committed to cabinet to bring forward a memorandum on the subject which might lead to that realization, whenever the time of the House permits.

• (1430)

REPORTED PLANS TO REDUCE SERVICE

Hon. Don Mazankowski (Vegreville): Madam Speaker, surely the minister realizes that the wholesale abandonment of several rail passenger services throughout Canada is a matter of very serious concern. I note that the minister neither confirmed nor denied that this matter was under active consideration. Could he undertake to tell the House whether, in fact, some 16 abandonments and five reductions in rail passenger services are currently under active cabinet consideration? If this decision is to be arrived at through government edict, could the minister explain how the citizens in the communities which will be affected will have an opportunity to voice their objections and concerns in a formal way?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have no intention of confirming or denying indirectly what I did not confirm or deny in a direct way.

POSSIBLE DATE OF GOVERNMENT DECISION

Hon. Don Mazankowski (Vegreville): In order to clear the air, could the minister undertake to tell the House when a decision will be forthcoming, since it is quite obvious the matter is under active consideration?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member is experienced in the art of being a minister. He also knows that this is unpredictable.

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CANADIAN NATIONAL RAILWAYS

TRANSPORTATION OF DANGEROUS GOODS THROUGH EDMONTON

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the Minister of Transport and it deals with regulations concerning hazardous and dangerous products. In view of the fact that there have been six or seven incidents concerning the transportation of hazardous and dangerous products in the Calder area in Edmonton along the 127th Avenue right-of-way, what game plan does the Canadian National Railways have to handle a major disaster—God

forbid? We do not want a Mississauga or Sundridge affair in our area.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member spoke to me about this subject a few days ago. I provided him with a number of scenarios with regard to what happens in the case of transportation accidents involving dangerous goods. At the time I told him the scenario varies a great deal depending on where the accident takes place, what kind of dangerous goods are involved, whether or not it is on a siding or a main line, etc. I agree with the hon. member that these scenarios are rather complex. Efforts are being made now through the regulations provided in Bill C-18, which was passed in the House about a year ago, to streamline these methodologies.

At the last meeting of the ministers of transportation I echoed the worries which the hon. member has. The provincial ministers of transportation and myself agreed that a maximum effort should be made toward simplifying these procedures. At the next meeting of the ministers of transportation I will bring forward ideas to that effect.

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RAILWAYS

STATEMENT ISSUED BY EDMONTON AREA MEMBERS OF PARLIAMENT

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is for the Minister of Transport. Is he aware of the publication on Friday last of a statement signed by eight members of Parliament from the greater Edmonton area who fully endorse the protests made by the city administration of Edmonton and the Edmonton Chamber of Commerce who are protesting the cancellation of transcontinental service west from Edmonton to Vancouver and east from Edmonton to Winnipeg? Has the minister read this statement and can he give a commitment to the House that before any such cancellations are imposed on the people of Edmonton public hearings will be held in that city?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer to the first question is yes. The answer to the second question is no.

Mr. Roche: The attitude of the minister is rather cavalier considering the gravity of the situation which will have a tremendous economic impact on a trading area in which there are more than one million citizens in the fastest growing area in Canada.

TELEGRAM SENT BY EDMONTON CHAMBER OF COMMERCE

Mr. Douglas Roche (Edmonton South): Madam Speaker, has the minister received and read a telegram circulated by Mr. Eric Geddes, the president of the Edmonton Chamber of Commerce, in which he says, in part, that this forthcoming planned cancellation "would greatly increase the feeling of alienation in western Canada."? Will the minister comment on the repercussions which are likely to occur from the point of view of national unity and transcontinental service if such cuts are imposed unilaterally by the government?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member made sure that I would receive a copy of the telegram. If I recall correctly he sent me a copy of it on Friday, which was when I read it. I have had a number of anticipatory protests from the Edmonton area to the same effect. I can only say that if what the hon. member and others fear is done, of course I will have to justify that action extensively.

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ENVIRONMENTAL AFFAIRS

MINISTER'S DISCUSSIONS WITH UNITED STATES AGENCY

Mr. Chas. L. Caccia (Davenport): Madam Speaker, last week the Minister of the Environment met with the chief of the United States Environmental Protection Agency. Will the minister inform the House about the discussions he had and about what may be ahead of us in the near future?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, the discussions I had with the head of the United States Environmental Protection Agency, Miss Gorsuch, a week ago were successful in terms of their limited objective, which was to explain as forcefully as possible to the American administration our concern about possible proposed amendments to the American clean air act, and our concern that the negotiations with the United States for a trans-boundary air quality agreement be proceeded with as vigorously as possible. Within that context I can assure the hon. member that our discussions, which I think were vigorous, left no doubt in the minds of the officials of the American administration what the position of Canada was.

I must say to the hon. gentleman that we expect negotiations to proceed. I want to be neither optimistic nor pessimistic about the outcome of those negotiations. I think that the discussions will be difficult ones; but I believe that in the end the reasonableness of our position will lead to the conclusion of some satisfactory arrangement with the United States.

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CORPORATE AFFAIRS

CONDUCT INTO HEARING ON PRICING PRACTICES OF OIL COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs, who may know that on July 27, two weeks from now, the Restrictive Trade Practices Commission will be holding a pre-hearing meeting to discuss the rules of the game in the

investigation of the $12-billion oil company rip-offs alleged by the Bertrand report. Can the minister confirm to the House that a secret meeting was held on July 7 behind the backs of the majority of the intervenors, who total 40 in number, at which only the oil companies were asked for their input?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it was not a secret meeting, but rather a first meeting between the lawyers of the Unfair Trade Practices Commission, the lawyers of the government in this case, and the lawyers of the accused, namely, the oil companies. This was a working meeting in preparation for the hearings to be held in the near future. The first public meeting to which will be invited the lawyers of third parties, that is the various associations wishing to express their views, will be held at the end of this month. This first meeting was therefore not exclusive, but simply a first meeting between the lawyers of the main parties involved in this case, and there will be other meetings to which third parties may be called and heard.

● (1440)

[*English*]

MINISTER'S POSITION ON PROCEDURE FOLLOWED

Mr. Ian Waddell (Vancouver-Kingsway): I have before me the memo from the counsel, Mr. McDonald counsel for the commission, listing that meeting with Gulf, Imperial, Shell, Texaco, BP, Chevron, Irving, Petrofina and Suncor. The minister says that that was an encounter. It seems to me that it was a strange encounter.

Do I take it, then, that the minister approves of this procedure whereby commission counsel meets? This was not a public meeting. The other interveners could not come. There were only the oil companies. It was a meeting behind closed doors with the very companies which are being investigated. Does the minister approve that kind of procedure? Does he think that that will lead to what would appear to be a fair hearing?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am surprised at the reaction of the hon. member. It is quite normal in court proceedings for the lawyers of both parties involved, that is the Crown and the defence counsel, to meet in camera before the judge. This occurs frequently and there is nothing incompatible or wrong in this as long as both parties appear together before the judge.

In fact I can assure the hon. member that no final decision concerning the procedure to be followed during the public hearings will be made before the meeting at the end of this month where not only the Crown and the defence counsel but also third parties wishing to express their views will have the opportunity to do so.

[*English*]

PORTS

DELAY IN SIGNING CONTRACT FOR WORKS AT PRINCE RUPERT, B.C.

Mr. Bill McKnight (Kindersley-Lloydminster): I would like to address my question to the Minister of Transport, through Your Honour. I provided advance notice to him last week. Can the minister tell us whether the proposed delay will be two months in the awarding of the contracts for access, site preparation, etc., for Prince Rupert? Will the delay to the contract which was closed on July 7 be two months, or will work start sooner, before the rains and the wet season hit the port of Prince Rupert?

Hon. Jean-Luc Pepin (Minister of Transport): Hon. members will remember that some months ago there was a discussion between the grain consortium and the National Harbours Board having to do with the ground at Prince Rupert, the famous "caisson" business. At that time the National Harbours Board decided to allow for a certain change in the site to be used for the grain terminal. That caused a two-month delay, which explains why we are now two months behind. The National Harbours Board has 60 days to make a decision on the site preparation contract, and that should be by September. But it is hoped that less time will be needed. Be that as it may, the time for delivery of the site to the consortium, is May, 1982, and that will be done.

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CANADIAN WHEAT BOARD

QUERY RESPECTING INITIAL WHEAT PRICES FOR NEW CROP YEAR

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I certainly cannot understand the delay of 60 days in the awarding of a contract, but I would like to ask the minister a supplementary question at this time. Would he be prepared either to confirm or deny, or to announce to the House, that the price for spring wheat and durum wheat will be much lower, approximately $4.75 a bushel, in the coming crop year? As Your Honour recalls, and I am sure that the minister does, the minister responsible for the Canadian Wheat Board had said that he would make an announcement in July, which is certainly about three months late. I think we would like to have an announcement now, Mr. Minister.

Hon. Jean-Luc Pepin (Minister of Transport): I am not in a position to do that, Madam Speaker, but the minister of state for the Canadian Wheat Board still has a number of days to go, and still live within the promise he made, which is to make the announcement before the opening of the new crop year.

GRAIN

APPOINTMENT OF GRAIN TRANSPORTATION CO-ORDINATOR—DATE OF ANNOUNCEMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I also have a question directed to the Minister of Transport which is of considerable importance to western Canadians. The minister will recall that the position of grain transportation co-ordinator has now been vacant for almost a year since the resignation of Dr. Hugh Horner. Mr. Doug Radke has filled that position on an interim basis. People in western Canada are wondering when an announcement will be made with respect to a permanent replacement in that position. I wonder if the minister will indicate when he will be in a position to announce the appointment of a new grain transportation co-ordinator.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, those who wonder will not have to wonder very long.

REQUEST FOR IMMEDIATE ANNOUNCEMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the minister's idea of a short period of time is since October last. Short periods of time in the west are not completely uncertain. I would like to ask the minister whether he is aware of the fact that if we get a few more rains in western Canada we face the prospect of a very major grain crop in western Canada this year, which would apply an extreme pressure in respect to the transportation of grain, which is very important factor for all of Canada. I want to ask the minister if he will not give consideration to making this announcement immediately, and allow us to make plans with respect to transportation of grain on an export basis.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only say that I will hurry.

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TEXTILES AND CLOTHING

FORECASTED INCREASE IN IMPORTS

Hon. Bill Jarvis (Perth): Madam Speaker, my question, directed to the Minister of Industry, Trade and Commerce, relates to a statement made last month regarding the five-year program for the Canadian textile and clothing industries. The minister will know that the government-appointed textile and clothing board, having completed the most extensive examination of those industries ever undertaken, urged the continuance of the current import levels through 1990 as its principal recommendation. Despite this, as I read the minister's statement, it expressly anticipates significantly higher imports of foreign textiles and clothing. I therefore ask the minister can he indicate to the House his estimate of the percentage increase of these imports by the end of the five-year program period?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, this is something under negotiation with the 16 exporting countries with which we have agreements; but I did say that we expected that the basis for these agreements would be the 1979 levels, which, I think, provides an approach which respects both the needs of Canadian producers and Canadian consumers.

PROJECTED EMPLOYMENT IN INDUSTRY

Hon. Bill Jarvis (Perth): Again, if I read the statement correctly, the minister's main thrust seems to be to provide for communities and workers who will no longer be engaged in the textile and clothing industries by the end of the five-year period, because the statement includes replacement of plants, job search, monitoring, early retirement benefits, and so on. This seems to anticipate a rather massive reduction in the number of textile and clothing workers. If I am incorrect, I wish the minister would correct me. However, of the current 189,000 jobs now in those textile and clothing industries, what percentage or number does the minister and his department anticipate will exist at the end of the five-year period?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend has neglected to mention that another major element of the adjustment program I announced along with my colleague, the Minister of Regional and Economic Expansion some weeks ago, was a program to assist in the modernization of the textile and clothing industry, and the firms in it, no matter where they are located. We believe that there is a tremendous potential for modernization so that we can be more competitive in both domestic and world terms. Therefore we do not anticipate a massive reduction in employment—

Mr. Jarvis: How many?

Mr. Gray: —although the figures have indicated that in past years there has been some reduction in unemployment in that period. However, I would not want to estimate the figure at this time, because it depends a lot on how vigorously the industry responds to the opportunities we are providing through our $250 million fund for modernization, in becoming more competitive. A lot will depend on the vigour of that response, as I have said. Spokesmen for the industry have already indicated that they want to respond in a very active way by putting in new investment in the billions of dollars, far in excess of what we will be making available for modernization. I think that is a very healthy indication of what could be happening in future years.

Oral Questions

ENERGY

FUTURE OF ALSANDS PROJECT AT FORT McMURRAY, ALTA.

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I will wait until he gets back, Madam Speaker.

Mr. Lalonde: Go ahead.

Mr. Shields: I am sure that the minister has probably been able to inform himself and has come to the conclusion that the postponement of the Imperial project in Cold Lake will mean a two-year delay. What efforts and initiatives is the minister taking, or does he plan to take, to ensure that the Alsands consortium does not cancel their project in Fort McMurray, which is another $12 billion project for this country?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, Mr. Leitch, the minister of energy for Alberta, and myself are due to meet in a few weeks. I hope that we will continue to make progress.

As the hon. member knows, the government of Alberta had taken a position that it did not want to discuss a separate deal for tar sands plants independently from a settlement on all the other issues. We will try to work along that line so as to arrive at a global settlement as soon as possible.

● (1450)

I have tried twice to see whether it was possible to arrive at an arrangement, to have an agreement on pricing, etc., which would deal with the tar sands plants but this is something the government of Alberta has refused. Therefore, we will try to work along the lines of getting a comprehensive settlement.

POSSIBLE COMMERCIAL ARRANGEMENT WITH OIL COMPANIES

Mr. Jack Shields (Athabasca): Madam Speaker, there have been 16 months of failures, 16 months for this government to sit down and reach an agreement with the government of Alberta. Over and above that, I am sure the minister would agree that a commercial arrangement with the companies allowing them to see a profitable investment climate for themselves is the kind of thing that is required. Therefore, is the minister addressing himself to a commercial arrangement with the companies? Syncrude has cancelled its expansion. Cold Lake has postponed its construction, and Alsands has indicated it may follow suit. Is a commercial arrangement being negotiated? Without such an arrangement every major project in northeastern Alberta is being affected.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member refers to 16 months of failure. But he should also add all the other months when his party was in office when it could not reach an agreement either.

Mr. Hnatyshyn: Wrong again.

Mr. Clark: That is a falsehood.

Mr. Lalonde: So, the period is even longer, and that we regret. I am sure that government when it was in office did its best to get an agreement, but it did not get one.

Some hon. Members: Oh, oh!

An hon. Member: We had an agreement.

Mr. Trudeau: Why don't you produce it?

Mr. Lalonde: So we tried.

As far as the question of arriving at a satisfactory commercial arrangement is concerned, this is what we are negotiating with the government of Alberta at the present time.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—ARCHBISHOP'S STATEMENT CONDEMNING ARMY ACTIONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, in the absence of the Secretary of State for External Affairs my question is for the Prime Minister. Perhaps I could have the attention of the Prime Minister?

An hon. Member: It is the guy over there with the flower.

Some hon. Members: Oh, oh!

Mr. Rose: My question is for the Prime Minister, who is well known for his interest in North-South problems. It concerns the tragedy of El Salvador. Is the Canadian government aware of the news yesterday from El Salvador in which the country's leading churchman, Archbishop Arturo Revere y Damas, attacked the army for "crimes against the church", including the murder of 27 additional civilians and the beating of nuns? Under the circumstances, how does the Canadian government justify its continued support for the current regime?

Hon. J. Gilles Lamontagne (Acting Secretary of State for External Affairs): Madam Speaker, I think the statements made by the Secretary of State for External Affairs on this subject have been quite clear. He has mentioned before in so far as the problem with El Salvador is concerned that the people themselves should settle their own problems in a political way, and that we do not want to be involved in such matters as those which the hon. member has just mentioned. We are aware of what is going on. I presume the question could be discussed further with the Secretary of State for External Affairs.

SHIPMENTS OF UNITED STATES ARMS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, if the "can't fly minister of the F-18A fame" is going to be the prime minister, I suggest he wear a rose in his lapel.

Some hon. Members: Oh, oh!

Mr. Crosbie: Or wear a pansy.

Mr. Rose: In the meantime while this tragedy of El Salvador is passed off, news reports indicate that the current U.S. ambassador is prepared to recommend further U.S. arms shipments to the government junta, while the ambassador's immediate predecessor, Ambassador White, just this weekend labelled such shipments as contributing to a slow motion coup by right wing officers.

Will Canada now stop backing this U.S. military policy in this sad little central American country, and instead urge in the strongest possible terms that the U.S. stop its proposed arms shipments and support a negotiated settlement?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think it has always been the policy of this government to prefer a negotiated settlement whenever that is possible. I am surprised that the hon. member is so concerned about what is going on in El Salvador when his party just asked us to withdraw from NATO and NORAD, thereby leaving us defenceless against other people acting in the same way as those in El Salvador.

* * *

COMMUNICATIONS

TELIDON CONSULTANT'S STUDY—PROJECTED COST OF SYSTEM TO FAMILY USERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, on Friday the Minister of Communications gave me a copy of a consultant's study on Telidon prepared for his department in December, 1980. I thank the minister for his courtesy. Does he disagree with the consultant's findings that if Telidon's customers are charged the projected $25 a month for service it would require a family income of almost $70,000? Also, if that were the case, there would be only 13,000 customers in Canada for Telidon by 1985?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I am told that other reports have been made on the same subject. For instance, the Hickling and Johnson report published in February, 1979, predicts that the Canadian home market will be 1.8 million sets by 1991. The predictions also made by Mr. Hough indicate a rather substantial market.

However, I point out that Mr. Hough's report was done before some of the major breakthroughs, particularly the adoption of teletext standards by AT & T in the United States. The general feeling of the department is that because of these developments some of the conclusions in Mr. Hough's report do require modification.

FIELD TESTING OF SYSTEM

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, Mr. Hough also complains that in studies which have been done on Telidon to date, field trials have not been done by charging customers for the service being provided and consequently are invalid. What field tests are anticipated by the minister for which customers will be charged the fair market value of Telidon?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, talking about field trials, and there are a number ongoing. There is a new Bell Vista field trial which will be ongoing in Toronto and Quebec City. I hope to be able to announce a new teletext field trial probably next week. We are obviously still in the field trial stage. We hope that the field trials will demonstrate that there is a market in homes for this type of technology. I should caution the hon. member and indicate that as far as videotex and teletext is concerned they are at the same stage as computers were a number of years ago. The initial paying market will be found first in businesses and institutions. It will be at a later date only when we expect to have a marketable videotex product for home consumption.

* * *

RAILWAYS

REPORTED PLAN TO ABANDON LINE FROM HALIFAX TO MONTREAL—REQUEST FOR PUBLIC HEARING

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my question is for the Minister of Transport. It has been customary to hold hearings before rail lines for freight or passenger service are discontinued. While the minister is not obligated by law to hold those hearings, it seems to me that because of the abandonment of the line from Halifax through Saint John, Sherbrooke and Montreal there should be a search for public opinion with respect to such abandonment. Would the minister explain why his department has made a survey but refuses to release the findings to the public and is not asking for comments on such a drastic action nor holding any hearings?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, should cabinet decide to do what my hon. friend is afraid it might, I will explain fully why it has done so.

IMPACT ON SOUTHWESTERN NEW BRUNSWICK

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, is the minister saying to the people of the Maritimes and all the way west to Montreal that cabinet is going to decide without seeking any public input whatever with respect to abandonment of such a line? That leaves southwestern New Brunswick with virtually no access whatever to the passenger service to which we have been entitled since the initiation of rail passenger service over 100 years ago? Is that the way we are going to

be dropped, just like a hot potato, with a shameless and no-guilt face?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure you will understand very well the position I am in. If I make any comment on that, it will be read differently by different people. I can only remind my hon. friend that there was a big "if" at the beginning of my previous answer.

* * *

POST OFFICE

REPORT OF LETTER WRITTEN BY DEPARTMENTAL OFFICIAL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is supplementary to one I asked earlier of the Prime Minister and the Postmaster General who will now have had the opportunity to check with their officials. I am advised that the letter in question was written by Mr. Rolf Bischoff, marketing director for the Montreal postal district.

● (1500)

I would like the Postmaster General to stay in the House to listen to the question. Perhaps he wishes that the House of Commons had risen rather than stay here to answer questions. I cannot recall an occasion in this House of Commons when a minister has walked out in the middle of a question being put.

Madam Speaker: Order. The Right Hon. Leader of the Opposition rises at three o'clock, at which time he realizes I should cut off question period. However, I have allowed him to ask the question. I hope he will not rise so late in the future because I will not be able to recognize him, but I did allow that. I hope he will ask his question and be as brief as possible.

Mr. Clark: I will ask my question if the minister to whom I directed it will come back to the House of Commons. Here he comes. The minister smiles at his contempt for the House of Commons.

Some hon. Members: Oh, oh!

Mr. Clark: My information is that the letter in question was signed by Mr. Rolf Bischoff the marketing director for the Montreal postal district, that it was a letter dated June 29. The existence of that letter was confirmed to Montreal Canadian Press reporter Larry Black, both by Mr. Bischoff in Montreal and by Francis Harding in the Ottawa office of the Post Office. Will the minister responsible for the Post Office now extend to the House of Commons the courtesy that has been extended to Canadian Press and confirm to the House that such a letter was written, such an offer was made to look after the powerful clients of the Post Office and, most important, that this was done prior to the strike on June 29?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, immediately after that question was raised in the House, I contacted the officials of my department to obtain additional information. When the Leader of the Opposition rose to put his question for the second time, a page told me that I was wanted on the telephone by someone who would be giving me the answer to the question. So I left the House to take that call. I now have the information which I can make public and thus answer the question of the Leader of the Opposition. Madam Speaker, I must say that the Leader of the Opposition has misinterpreted that letter, that he was completely wrong to interpret it as he did, and that as early as tomorrow I will be in a position to shed more light on the question if we are given an opportunity to do so.

[*English*]

REQUEST THAT MINISTER TABLE LETTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Postmaster General has referred specifically to that letter. He will know that even if the rules do not permit a minister to walk out in the middle of a question being posed him, they do require him to table correspondence and documents to which he has referred specifically. I ask the Postmaster General to follow the rules of the House and to table that letter to which he has made reference.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the Leader of the Opposition is obviously flouting the Standing Orders of the House. I have not seen any letter. I have no document in my hand. I said I would check. I sought information from my officials and they told me that, once again, the Leader of the Opposition is mistaken. I will look further into this matter and answer any question he may want to ask me tomorrow. For the time being I fully reprove the altogether unspeakable conduct of the Leader of the Opposition.

* * *

POINT OF ORDER

MR. PINARD—TIME ALLOTTED TO ORAL QUESTION PERIOD

Hon. Yvon Pinard (President of the Privy Council): On a point of order, Madam Speaker. I should like to draw your attention to two standing orders of the House which, unless I am mistaken, are still in force and perhaps too clear. I quote Standing Order 15(2):

Not later than 2:15 p.m., or 11:15 a.m., as the case may be, oral questions shall be taken up. At 3:00 p.m., or 12:00 noon,—

—it says 3 p.m., not 3:05 p.m.—

—as the case may be, the House shall proceed to the ordinary daily routine of business, which shall be as follows:

—and it goes on.

Secondly, Madam Speaker, Standing Order 39(5) is much more specific and coercitive. I quote the last few lines of Standing Order 39(5):

. . . provided also that the time allowed for a question period prior to the calling of the Orders of the Day shall not exceed forty minutes.

So in both cases, Madam Speaker, the Standing Orders are very clear, namely, that the oral question period may not go beyond 3 p.m. and may not exceed forty minutes. That is the first point of my argument.

The second is that the way the business of the House is directed and organized is based on and guided by the standing orders, by doctrine or by practice. It is the first time, at least in the seven years I have been sitting as a member, which is not all that long, that the same member was recognized more than once during the oral question period, I say to my knowledge, it is the first time that a member who has asked his main question and his supplementary questions is given the floor a second time a few minutes later after other members.

Madam Speaker, in my opinion, the current and very well known custom forbids us to allow this type of practice, and I respectfully submit that in keeping with the established practice, the Leader of the Official Opposition (Mr. Clark) should not have been legally recognized when he asked his last series of questions. So, Madam Speaker, for all those reasons and considering that the Leader of the Opposition asked his questions after 3 p.m., that is after the expiry of the oral question period, pursuant to the two Standing Orders I quoted and to the established practice whereby a member may not be given the floor more than once during the oral question period, for all those reasons, Madam Speaker, we on this side of the House strongly object and we ask that the Standing Orders be respected in future and that the Leader of the Official Opposition not be given a preferential treatment which he does not deserve.

Madam Speaker: The hon. President of the Privy Council (Mr. Pinard) is quite right. Our Standing Orders state quite clearly at what time the question period is supposed to end. However, he probably quoted it from memory because the oral question period is supposed to last 45 minutes and not 40 minutes as he indicated. Nevertheless, Standing Orders stipulate that at 3 p.m. the Chair must interrupt the oral question period. However, the President of the Privy Council has been sitting in the House long enough to know that from time to time, at his discretion, and for various reasons, for example the fact that some questions or answers are lengthy or because there is a great deal of commotion in the House, the Speaker chooses not to see the time and to go over the 3 p.m. or 12 noon limit, as is the case on Fridays. The rule is clear but the custom varies somewhat, yet I agree with the hon. President of the Privy Council that, whenever possible, we must try to end the question period at 3 p.m. and I try to do that as much as I can.

As for the fact that a member cannot rise a second time, it so happened, last week I believe, that the hon. member for Oshawa (Mr. Broadbent) had the floor twice during question period, because he asked to be recognized and other members of his party who would have wanted to speak at the time remained seated to give him an opportunity to do so. So that can happen. Standing Orders do not prohibit a member from rising twice during question period. But I do take the remarks made by the hon. President of the Privy Council in consideration; he knows that I always try to apply the rules, but I think that this time I sided more with parliamentary custom.

ROUTINE PROCEEDINGS

[*English*]

TABLING OF DOCUMENTS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order with respect to the tabling of documents. A document was referred to by the Leader of the Opposition (Mr. Clark). In direct response, the minister indicated that the Leader of the Opposition was misinterpreting the document, thereby referring to it. Will the minister take a look at that document and perhaps see to its tabling tomorrow?

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,852, 2,527, 2,565 and 2,641.

[*Text*]

CANADIAN FILM DEVELOPMENT CORPORATION—CHAIRMAN

Question No. 1,852—**Mr. Beatty:**

1. Is the chairman of the Canadian Film Development Corporation included in the corporation's conflict of interest guidelines?

2. Does the chairman maintain an interest in a private law practice and, if so (a) with which firms and in what capacity (b) does the firm conduct any business on behalf of clients in the film industry?

Hon. Francis Fox (Secretary of State and Minister of Communications): In so far as the Department of Communi-

cations is concerned, the answer to the above question is as follows: 1. According to information received, the chairman of the board of the Canadian Film Development Corporation is not subject to the corporation's conflict of interest guidelines. However, the chairman, as a member of the corporation, is subject to the provisions of Section 5 of the Canadian Film Development Corporation Act.

2. As of the date this question was asked, yes.

(a) As of the date this question was asked, Mr. Michel Vennat was a partner in the Montreal legal firm of Stikeman, Elliot, Tanaki, Mercier and Robb. While chairman of the board of the Canadian Film Development Corporation, he did not take part in decisions relating to clients of the firm who were in the film industry.

(b) Yes; see 2(a) above.

POST OFFICE, NOVA SCOTIA—BILINGUALISM

Question No. 2,527—**Mr. Cossitt:**

1. Does the government intend to take action with regard to the fact that the 1980 Annual Report of the Commissioner of Official Languages states there are 36 bilingual positions in the Post Office Department among Nova Scotia's 1,955 postal employees and, if so, what are the details?

2. For what reason would it be necessary to have bilingual employees in Nova Scotia?

3. What is the estimated percentage of persons living in Nova Scotia who speak the (a) English (b) French language only?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Canada Post and Statistics Canada as follows: 1. In Nova Scotia, the 36 bilingual positions already in existence are deemed to be sufficient to meet present identified demand. However, Canada Post will continue to review and monitor the situation with respect to bilingual positions throughout the province.

2. As a federal institution, Canada Post recognizes an obligation to provide service in both French and English to Canadians in areas where a demand is established.

3. The latest information on languages is from the 1976 Census, but that information relates only to mother tongue, as opposed to language currently spoken. According to the 1976 Census the distribution of the population in Nova Scotia by mother tongue was as follows:

Mother tongue English:	92.7 per cent
Mother tongue French:	4.4 per cent
Mother tongue neither English nor French:	2.9 per cent

The most recent information on official languages capabilities was collected in the 1971 Census, which asked whether English or French were spoken well enough to conduct a conversation. For Nova Scotia, the official languages capabilities of the population in 1971 were:

English only:	92.6 per cent
French only:	0.5 per cent
Both English and French:	6.7 per cent
Neither English nor French:	0.2 per cent

Similar information is being collected in the 1981 Census.

MR. PETER STUDER

Question No. 2,565—**Mr. Cossitt:**

1. Is Mr. Peter Studer a chauffeur with the Department of Energy, Mines and Resources and, if so, on the evening of Wednesday, May 26, 1981 was he driving Mr. Ed Clark, senior assistant deputy minister of energy?

2. Did Mr. Studer telephone the *Citizen* with comments on the hon. member for Leeds-Grenville and, if so (a) did he do it on his own volition (b) was he ordered to do so by a superior in the government and, if so, what was the name of the superior?

3. Did Mr. Studer advise the *Citizen* that the hon. member for Leeds-Grenville was incorrect in stating that the Prime Minister was "giggling and guffawing" outside the members' entrance of the House of Commons with the Minister of Finance and that it should have been the Minister of Justice and, if so, are Mr. Studer and his government associates aware that the hon. member for Leeds-Grenville is quoted in *Hansard* as saying "it was at this point that I noticed that the Prime Minister of Canada (Mr. Trudeau) was standing on the sidewalk adjacent to the members' entrance along with the Minister of Justice (Mr. Chrétien)"?

4. Did Mr. Studer further advise the *Citizen* that the green bus for MPs was not moving because "there weren't any passengers to take anywhere" and, if so, are Mr. Studer and his government associates aware that there were two buses at the time the incident occurred and that one of the buses was approaching the Centre Block with passengers when stopped by the RCMP?

5. Is it government policy to use chauffeurs and senior assistant deputy ministers to attempt to destroy the credibility of opposition members of Parliament?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Yes, Mr. Studer is an EM&R chauffeur and he was driving Mr. E. Clark on the evening of Tuesday, May 26, 1981.

2 to 5. Mr. Studer on his own initiative was exercising his rights as a Canadian citizen.

BUREAU OF PENSION ADVOCATES

Question No. 2,641—**Mr. Howie:**

1. What number of applications were received and recorded by the Bureau of Pension Advocates but are not yet registered with the Canadian Pension Commission?

2. Does the bureau consider it has sufficient staff to carry out the duties?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): 1. None. To protect the date of application, all claims

are registered with the Canadian Pension Commission immediately.

2. Yes.

[*English*]

Mr. Collenette: Before I sit down, Madam Speaker, I should point out to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) that I am unable to give the answer to question 2,955, I believe it is; it is the other outstanding question on the Order Paper. I hope to be in a position to give that answer tomorrow.

I would ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: Are the remaining questions allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House proceeded to the consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Madam Speaker: As hon. members are aware, there are 57 motions standing on the Order Paper at the report stage of Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act.

With the short time available to the Chair, and it was very short, I have had a preliminary look at a number of the motions. Motions Nos. 1 and 2, standing in the name of the hon. member for Nunatsiaq (Mr. Ittinuar) and the hon. Minister of Energy, Mines and Resources (Mr. Lalonde), seek to import a preamble into a bill which was introduced in the House without a preamble. In this respect I refer hon. members to Beauchesne's fifth edition, Citation 779(3) and I quote:

(3) Where the bill, as introduced, does not contain a preamble, it is not competent for the committee to introduce one.

This citation can also be found in May's nineteenth edition at page 531. Admittedly, this refers to proceedings in committee; however, the same rules apply at the report stage, and to this effect I refer hon. members once again to Beauchesne's fifth edition, Citation 792. This is also confirmed by a ruling

by Mr. Speaker Lamoureux on June 11, 1973, at pages 394 and 395 of the *Journals*.

For all these reasons, regrettably, motions Nos. 1 and 2 appear to be out of order, but I would be prepared to hear argument later.

Motions Nos. 43 and 50, standing in the name of the minister, seek to insert new headings into the bill. Citation 710 of Beauchesne's fifth edition states as follows:

710 (1) The marginal notes, short titles of clauses and the headings of parts of a bill do not form part of the bill and, therefore, are not open to amendment. *Journals*, May 17, 1956, p. 568.

(2) The Law Clerk and Parliamentary Counsel is responsible for marginal notes and headings. S.O. 84.

For these reasons, the Chair will not propose the motions to the House.

Motions Nos. 3, 5, 14, 17, 18, 23, 25, 26, 27, 28, 29 and 30 will be debated separately and voted on separately.

Motions Nos. 4, 51, 52, 53, 55, 56 and 57 should be grouped for debate and will be voted on as follows: (a) The question on motion No. 51 will be put to the House and a vote on this motion will dispose of motion No. 4; and (b) the question on motions Nos. 52, 53, 55, 56 and 57 will be put to the House separately.

Motion No. 54 standing in the name of the hon. member for Skeena (Mr. Fulton) seeks to establish a compensation fund to be administered by a board which would entail the outlaying of public funds. Once again I refer hon. members to Beauchesne's fifth edition where Section (7) of Citation 773 is on this point, and I quote in part:

(7) An amendment is out of order if it imposes a charge upon the Public Treasury—

For this reason the motion appears to be unacceptable, but again I would be prepared to hear argument at the appropriate time.

Motions Nos. 6 and 20 will be grouped for debate and voted on separately.

Motions Nos. 7, 8, 9, 10, 11, 12, 13, 15 and 16 will be grouped for debate and voted on as follows: (a) the question on motion No. 7 will be put to the House by itself; (b) motions Nos. 8, 9 10 seem to offer alternatives and will be put to the House as follows: (i) the question will be put on motion No. 8. An affirmative vote on this motion makes it unnecessary for the House to decide on motions Nos. 9 and 10. However, a negative vote on the motion necessitates the question being put on motion No. 9; (ii) an affirmative vote on motion No. 9 obviates the question having to be put on motions Nos. 10, 11 and 12. A negative vote on motion No. 9 necessitates the question being put on motion No. 10 and the vote on motion No. 10 also disposes of motions Nos. 11, 12 and 16. (c) Separate questions will be put on motions Nos. 13 and 15.

Motions Nos. 19 and 24 standing in the name of the hon. member for Nunatsiaq seem to go beyond the scope of the bill and therefore do not appear to be in order. The hon. member may wish to present argument on this point later. For the

benefit of the hon. member I refer him to Beauchesne's fifth edition, Section (1) of Citation 773.

Motions Nos. 21 and 22 should be grouped for debate, with a vote on motion No. 21 disposing of motion No. 22.

The Chair will now proceed to propose to the House motion No. 3 standing in the name of the hon. member for St. John's East (Mr. McGrath).

Mr. Knowles: Madam Speaker, I rise on a point of order. I wonder if both you and the House would be willing to defer until later the question of the procedural propriety of motions Nos. 1 and 2. Quite frankly, speaking for myself, I had not anticipated any question there. I have not done any reading on the subject lately. Your view may prevail, but could we not leave Nos. 1 and 2 till later, perhaps to the end of the debate, and start now with No. 3?

Madam Speaker: That is exactly what is to be done in practice. I am proposing to go now to motion No. 3. I know that preambles have sometimes been accepted, but I believe that is only with the unanimous consent of the House. However, the decision is deferred and we will proceed to move to motion No. 3.

Hon. James A. McGrath (St. John's East) moved:

Motion No. 3

That Bill C-48, An Act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 2 by striking out lines 17 to 25 at page 1 and lines 1 and 2 at page 2 and substituting the following therefor:

"west Territories,".

He said: Madam Speaker, this is a very important bill. Indeed, it is probably one of the most important measures to be brought before this Parliament and, of course, evidence of that fact is the amount of time devoted to the bill in committee and the number of amendments the House is now faced with at report stage.

In terms of the amendment I have placed on the Order Paper and is now before the House, it might do well for the House to recall that at the last first ministers' meeting in September we were told that certain questions were to be the basis of round two of the first ministers' negotiations with respect to the Constitution. I realize, of course, that that statement may have been overtaken by events, namely, the unilateral action of the federal government in dealing with the Constitution in the manner in which it has and which is now a question before the Supreme Court of Canada. The fact remains that not only was this undertaking made at the time of the first ministers' meeting in September, it was repeated during the course of the hearings of the joint committee on the Constitution. Whenever we attempted to raise this question we were told there was in fact a phase two of the negotiations.

● (1520)

We know, for example, that regardless of what happens to the constitutional package which is now before the Supreme Court of Canada, the Government of Canada will have to go back to the provinces. We know that to be a fact, and I would be very surprised if during the course of these federal-provincial first ministers' negotiations and discussions the question of offshore jurisdiction and fisheries jurisdiction did not constitute one of the priority items on the agenda. I believe that to be a fact, and I believe that is an important fact. It is important to the argument I wish to place before the House.

If we read "The National Energy Program", the white paper of 1980 which preceded the bill which is now before the House, Bill C-48, we find the definition of Canada lands, and I quote from page 42:

> Under the British North America Act, large areas of Canada fall within federal jurisdiction. These Canada Lands, which comprise almost twice the area of the 10 provinces combined, include the area off Canada's coasts—

Then it goes on to say:

> There is some debate as to whether offshore resources in these Canada Lands fall under federal jurisdiction. Notwithstanding a ruling by the Supreme Court of Canada in 1967 that lands off the west coast are within federal jurisdiction, both Newfoundland and Nova Scotia have laid claim to jurisdiction of areas off the east coast.

I will continue to quote because this is very germane to the argument.

> The Government of Canada believes that the offshore resources belong to all Canadians. It is anxious to refer the matter of ownership quickly to the Supreme Court. Uncertainty about the legal control over such vital areas is not conducive to the rapid development of the oil and gas potential of this promising region, which can contribute to Canada's energy needs and the economic aspirations of the region.

Notwithstanding the stated position of the federal government within this policy paper, on the floor of this House and during the course of committee hearings, that it would like to have this matter of jurisdiction between Newfoundland and Canada and Nova Scotia and Canada, the offshore question, resolved by the Supreme Court of Canada, we are presented with a bill—which in essence is a fait accompli—which defines "Canada lands" as the very areas the federal government feels are under dispute and which it feels should be adjudicated by the Supreme Court of Canada.

What I am saying is that this bill can only be construed by those coastal provinces as an act of provocation, hardly conducive to successful negotiations. I believe very strongly that negotiations are absolutely essential. Having the Supreme Court of Canada resolve disputes is not the Canadian way. That is not the way this country has survived for 114 years. That may be the way of our neighbour to the south, but that is not the way I want to see Canada go, and that is not the way Canada has been growing in the past. I believe very strongly that this question has to be resolved by negotiation.

I say that notwithstanding the firm belief I hold that Newfoundland has an ironclad case. I also believe in the strength and the validity of the Nova Scotia case. The argument is totally different from that which prevailed in the situation in British Columbia. In the Newfoundland case we can argue that we had jurisdiction prior to 1949. Indeed, we can establish that we had jurisdiction prior to 1949. The government of Nova Scotia has made the case that it was

given jurisdiction by letters patent from the Crown prior to confederation. These are not cases to be brushed aside.

I have no desire to presuppose how the government of Newfoundland will act with respect to this bill, or the government of Nova Scotia, but I certainly hold to the view that it would be a great mistake to have this matter end up before the Supreme Court of Canada. I do not think that would serve the best interests of this federation of ours. I do not believe it would serve the best interests of the two provinces which are disputing this claim with the Government of Canada.

I certainly would not want to see the Newfoundland case brought before the Supreme Court of Canada because I believe there is another way, a Canadian way, whereby the Government of Canada, if it is serious about this, would sit down with the government of the province of Newfoundland and/or the government of the province of Nova Scotia and work out a settlement. I believe that is essential. Hence I have placed this amendment at the report stage before the House, because nobody will dispute the jurisdiction of the Government of Canada within the territories of Canada. Nobody will dispute these areas being defined as Canada lands. They are obvious, they are self-evident. But the question of the offshore is another question entirely, one which I believe should be the subject of negotiations.

Let me quote again from the policy paper of the government:

> However, in its management of these resources, the Government of Canada is determined to take into account the needs of the region. It will use its regulatory powers to accelerate exploration in this area. Development must reflect the social and economic concerns and legitimate aspirations of the residents of coastal provinces.

What level of government is best able to reflect the social and economic concerns and legitimate aspirations of the residents of a coastal province? What level of government is best able to protect these special concerns? Obviously it is the provincial government. That is its principal responsibility. Representing a Newfoundland constituency as a Newfoundland member of Parliament, that is one of the problems I have with the position of the federal government. As a province we have been misrepresented as some kind of an ambitious young province which is on a power trip, trying to grab everything for ourselves and not wanting to share. Nothing could be further from the truth. The Premier of the province of Newfoundland, speaking on behalf of the government of Newfoundland—and I believe speaking on behalf of the legislature of Newfoundland—has made the point time and time again that the question of ownership is important to us because ownership will determine who controls the rate of development and the rate of exploitation.

The rate of development and the rate of exploitation are crucial, given socio-economic consequences. It is essential that the government of Newfoundland control the rate of development and the rate of exploitation because only the government of Newfoundland—I might say also the government of Nova Scotia; the argument applies in both cases—can truly reflect the social concerns of the people and can truly reflect cultural considerations.

There are cultural considerations. The fishery of Newfoundland, for example, is tied up in the social and cultural fabric of the province. We cannot divorce one from the other. It is an economic question; it is a social and cultural question at the same time. Yet the rate of development, if this bill becomes law and if the federal government has its way, will be controlled by the federal government because the federal government by this bill is exerting ownership. It is not even waiting for the Supreme Court of Canada to rule, in accordance with the position the Prime Minister (Mr. Trudeau) has taken in the House and in accordance with the position the Prime Minister took at the last first ministers' conference. It is not even waiting for that. It is going ahead and has taken in all the area of the continental shelf, defining it as Canada lands and thereby taking unto itself the right to control the rate of development, with all of the socio-economic consequences that would flow from it.

● (1530)

I do not understand, Mr. Speaker, why the government would do this. I believe it is possible to resolve this dispute. Notwithstanding the hard lines taken by the governments of Newfoundland and Canada, I believe it is possible within the spirit of confederation to reach agreement on this question. Provided that the Government of Canada is prepared to recognize the right of the coastal province to control the rate of development and to reflect the social aspirations of its people, provided that it is prepared to concede that right, I believe it is possible to reach a fair and equitable agreement.

What is the position of the Government of Canada? Perhaps we will hear a little more about that during the course of this debate, but as I understand it, the Government of Canada holds to the view that is has ownership, and it approaches it from that point of view. Conversely, the Newfoundland government takes the same position.

In terms of the jurisdiction over and revenue from offshore oil, the Government of Canada's position is that it will treat Newfoundland the same as Alberta. Newfoundland would achieve, as I understand it, the same return from the offshore during a certain period as Alberta is presently enjoying, until the people of Newfoundland reach "have" status. In terms of equalization this means, as I understand it, until the per capita income of Newfoundland reaches the national average. At that time there is some kind of negotiated sharing agreement.

I do not believe that position is as rigid, in terms of closing the door, as it would appear on the surface. I believe it is possible within that framework to negotiate a settlement, bearing in mind, I repeat, the right of Newfoundland to control the rate of development. The people and government of Newfoundland want this matter resolved. It is important that it be resolved because, let us not kid ourselves, until it is resolved the rate of development of those important offshore resources is going to be deliberately retarded. In fact, in my view it is being retarded. Given the energy crisis in Canada, given the economic situation prevailing in Atlantic Canada, and specifically given the economic conditions prevailing in

Newfoundland, I think it is nothing short of criminal that we are not allowed to enjoy the returns from these resources and share them with the rest of Canada by providing energy for an energy hungry nation which could be, given the right policies, self-sufficient and one day will be.

In a letter to a member of the Newfoundland legislature which appeared in the press on July 6, the Prime Minister, reasserting the position outlined in the policy paper, said this:

We have constantly held the view that the Government of Canada owns and has jurisdiction over all offshore resources and that if the provincial governments disagree, the matter should be referred to the Supreme Court.

Nothwithstanding our views on the ownership question however, we are eager to get on with the job of developing these resources in close co-operation with the coastal provinces. While in the government's view, these resources belong to all Canadians we recognize the special opportunities and problems which their exploitation will create for the provinces nearest to them.

I see a glimmer of hope in that paragraph of the letter. I see the door being opened a little bit. I hope I am not overstating the case because I believe you have to get back to that kind of flexibility, that kind of give and take which has characterized relationships between the provincial and federal governments, if we are to resolve this issue satisfactorily and quickly. It is that kind of give and take which will make it possible for us to reach agreement.

I do not think I am exaggerating if I read in that paragraph a sudden awareness of what the Newfoundland government has been trying consistently to say throughout, namely: We must contol the rate of development and exploitation; we must be in a position to protect the interests and aspirations of our people, the social, economic and cultural fabric of our province. In addition, there is the very delicate environmental question with respect to the fisheries resources because, let us face it, we are talking about a renewable resource. If managed properly, it will be there for all time. Of course, here we are talking about a finite resource, although we are told there is a very extensive amount of reserves.

I believe very strongly, Mr. Speaker, that the time is right for us to get on with an agreement. I say with respect to the hon. gentleman who sits over there and holds the responsibility for dealing with the provinces on matters of energy, he is not going to get anywhere by being abrasive. He is not going to get anywhere with the provinces by being insulting, condescending, by refusing to recognize the legitimate rights and aspirations of the provinces within the two layer governmental system that is our country. Failure to recognize the sensitivities of the provinces with respect to their own jurisdiction under the existing Constitution will get the minister nowhere, as has been demonstrated by his experience in dealing with the provinces.

As I said, Mr. Speaker, there are other equally important aspects of this bill which will have to be dealt with either at report stage or third reading. There are the environmental aspects of the bill. The question of a major blowout, for example, and the damage it could do to our fisheries resources, our groundfish stocks on the continental shelf. These are the most prolific fishing grounds in the world. We know what happened in the Gulf of Mexico when they were not prepared for it, and I hope we have learned something from their experience. When I had the responsibility of administering Canada's fisheries I sent observers down there to experience first hand how they were dealing with the environmental impact of that massive blowout.

In the time I have remaining I would just like to reaffirm the position we put forward as a government, which has been deliberately misinterpreted time and again. I want to state our position with respect to the offshore which was contained in a letter dated September 14, 1979, from the Prime Minister to the Premier of Newfoundland. That letter outlined four principles as follows:

(1) That the province of Newfoundland should own mineral resources of the continental margin in so far as Canada should own them.

● (1540)

This is important because the Premier of Newfoundland stated—and I agree with him—that every member of the Newfoundland House of Assembly agreed with him that ownership determines who will control the rate of development and the rate of exploitation. This is why it is crucially important. It is not ownership in terms of wanting to grab it all for yourself and not wanting to share it with Canada. It is ownership in terms of managing the resource. It is ownership in terms of saying to the oil companies: "This is the rate at which you will develop, this is in the rate at which you will exploit; the rate has been determined by the socioeconomic factors of the region". The letter continued:

(2) That ownership and legislative jurisdiction would be consistent with and subject to the division of legislative competence as between Parliament and the provincial legislatures under the Constitution of Canada.

This is also important because it takes into account and recognizes the pre-eminence or paramountcy of the Government of Canada in protecting the environment and of the Fisheries Act, which certainly controls development in terms of its impact upon the environment. It is the law of the land. Nothing is changed by the dispute, nothing is changed by the Canada Lands Act. It will still hold true, just as it would have held true if the agreement we offered the provinces had been consummated. The letter continued:

(3) That the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on.

(4) Those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

This was the proposal we put forward. It was simple, straightforward, and designed to satisfy the legitimate concerns of Newfoundland with respect to what is a very delicate environment and its legitimate desire to protect that environment and the renewable resources it produces not only for ourselves but for the world.

Newfoundland is the poorest province in Canada. It enjoys only 53.6 per cent of the earned income of the average Canadian. Its unemployment rate continues to grow. None of us in Newfoundland can take any pride from the latest unemployment figures which show that the rate of unemployment in our province went up, whereas it went down slightly in the rest

of the country. Considering that unemployment insurance represents one twelfth of all personal income in Newfoundland, compared with one fortieth in the rest of Canada, it is not difficult to understand why this question is so important to us. We feel it is a matter of absolute urgency. I feel it is absolutely essential that they get back to the bargaining table.

This is not a panacea for our economic ills. It will be very expensive oil to produce and, hence, the rate of return will not be that great as from oil produced onshore. It will be some considerable time before the benefits start to flow to us. Granted, there will be spin-off effects. We know of the experience in Scotland and in Norway. We can learn from what happened in these countries and benefit from it. Indeed, studies have indicated that certain things should be in place, and they are being put in place.

All of these things notwithstanding, it is not difficult to understand why oil companies, which have spent millions and millions of dollars on exploration and drilling, are in no hurry to get on with it. It is because they feel—and I think this is a reasonable position—that the question of jurisdiction must be resolved soon. It should not be resolved by some long, drawn out litigation before the Supreme Court of Canada, but by serious negotiations between the Government of Canada and the government of Newfoundland. These negotiations would take place within the spirit of confederation, the spirit of sharing, in the spirit of Newfoundland not wanting it all for itself, but wanting a part of it, wanting to get on with it, wanting to share it with the rest of Canada. But Newfoundland must reserve as its bottom line—and this is nothing to negotiate—the right to control the rate of development because we know how crucial it is to the very delicate social and cultural character of the region in question. That is all we are requesting. It is not unreasonable.

Within the bounds of that limitation, within that general area, within the spirit of the July 6 letter of the Prime Minister to which I just referred, and within the spirit of the speech he made in St. John's earlier this year, I believe there is a degree of flexibility coming into this difficult bilateral question between Newfoundland and the Government of Canada which was not there before. I caution the Minister of Energy, Mines and Resources (Mr. Lalonde) to recognize it for what it is, to seize upon it and to take advantage of it.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I should like to take part in this debate. This bill has been a long time in committee. I want to make some comments about the committee hearings. There are some very important aspects of the bill, especially for people who live on the east coast, on the west coast or in the north of the country.

Recently I looked at a cartoon which appeared in the *Alberta Report* on May 29, 1981. It depicted the Minister of Energy, Mines and Resources (Mr. Lalonde) as a chef. He was lifting the lid on a cake dish. The words "Lalonde' NEP Amendments" appeared on the lid. Since he had lifted off the lid, one is able to see the amendments which were made in committee. The cartoon depicted a four-layer cake, each layer indicating an amendment. The first layer was entitled, "Back-in compensation". This means that the government changed its original position and made it a little easier on the companies in which Petro-Canada will take a carried interest. The second layer of the cake read, "Royalty holiday expansion". This means that the government gave the companies a little longer in their royalty holiday—a tax break. The third layer indicated, "Exploration Licences Extended"; and the fourth layer of the cake read, "Petroleum Tax becomes 'Royalty-Deductible' ".

In other words, the cartoon was trying to show that, as a result of the amendments to the bill brought in by the minister in committee, the people who benefited were by and large the oil companies. The minister did not bring in any amendments to benefit other affected groups. One group was mentioned, that is, the people who make their livings on the east and west coasts fishing or operating pleasure boats in terms of environmental concerns, and the northern governments and their role. The government brought in amendments which basically helped oil companies. In doing so, it is my position that basically the government was giving in to American and oil company pressure.

Recently we have heard a lot in the news about Americans pressuring the Canadian government and the minister saying that he would stand up to that pressure on oil policy, yet we see here the government giving in to American pressure. First, it makes it easier for the bigger companies by bringing in the amendments which are set out in the cartoon to which I referred and, second, it has backed off from Canadian control of the oil industry and is not requiring the stringent degree of Canadian control which was in the second reading draft of the bill.

I say that the government gave in to the Americans and that the companies are happy. As a matter of fact, it was indicated in the *Financial Post* that after the minister brought in his amendments to Bill C-48 oil stocks rose. The companies are happy, but who lost out? I say that all Canadians have lost out as the result of the amendments of the minister. We will not really have a Canadian-owned industry off the east coast, the west coast or in the north. We will pay more in incentives and grants. We will pay so much in incentives and grants—92 cents to 93 cents of every dollar—that with that money we could buy Dome Petroleum and some of the bigger companies to whom we are giving the money.

• (1550)

Third, the companies will not be Canadian controlled. They will be, American controlled shells. The bill speaks of Canadian ownership, not American ownership. Thus, when we talk about the east coast and the oil plays there, such as Hibernia, and the control of those plays, we will see large American companies such as Mobil still calling the shots. Supposedly this is a government which favours Canadianization.

Worse, there are no job guarantees for Canadians. The environment is lost. Under this legislation the minister can even authorize a spill. There is no role for the Minister of the Environment (Mr. Roberts) to play in this bill. The bill deals

with the development of the east and west coasts by the federal government through the Department of Energy, Mines and Resources. That is a department which wants to develop oil and gas. That is what it should be doing. It should not be the guardian of the environment. We need a balance. The Department of the Environment should be involved.

The previous speaker, of course, dealt with offshore resources. Again, a balance is needed in this area. The bill which is before us purports to take all the control of the offshore, the east and west coasts and the northern offshore, and give it to the federal government without really consulting the provinces, or even listening properly to the provinces or the northern government. We say that the ownership and management should be left to the provinces. I would like to deal with the east coast and the west coast to illustrate my point. The ownership, development and management should be left to the provinces. It is the same situation as that dealing with land. Perhaps I can explain the importance of this point to people who live in central Canada. I speak as someone who comes from a west coast constituency.

Mr. MacLaren: The west part of Etobicoke?

Mr. Waddell: The hon. member opposite comes from the west coast, too, but he lives in Etobicoke now. He once lived on the west coast. He should understand that on the coast the people see coastal areas as an extension of the land. It is like land only it is under water. Thus, the provincial government should control it. The reason they want to control it is that they want to have control of the pace of development since that will affect them directly. In simple terms that is why they want control of offshore resources.

I sometimes do not agree with the rather blustery language of the Premier of Newfoundland, or the cold and hard language of the Prime Minister of Canada (Mr. Trudeau) when he replies to that Premier. Canadians should look at the problem in the context of simply having the provinces control their offshore, since it is just an extension of the land. They want to control the pace of development. They are right in wanting that. Then if there is a big find of oil or gas, such as Hibernia, the provinces should insist that they have a role to share that with the rest of the country. As I understand it, that is co-operative federalism and the way it would work.

Then someone might ask what the role of the federal government is to be. Are we to leave it out? Is there no government for Canada? That is the argument the Prime Minister has used; but he is avoiding the issue. Of course there is a role for the federal government. It has a role with regard to the environment, fishing, international affairs and the free mobility of labour. In many ways there is concurrent jurisdiction with the federal government. Let us face facts; that is how the situation will be worked out, is it not? Instead, however, we have the federal government jumping the gun and bringing down a pretty strong clause which even takes Sable Island for the government.

We on the west coast are particularly interested in the pace of development, since during the course of the committee hearings we learned from witnesses such as Chevron that in a few years it will be ready to drill on the west coast. There has been a moratorium on the west coast. I suggest that members look at the excellent brief presented by the West Coast Envrionmental Law Association to the standing committee. This brief was given on April 2, 1981. I will not repeat what is in the brief, but I will say that the concern that we on the west coast have about our environment and about drilling is present in that brief. We would like to see a public inquiry held before there is any continuation of drilling.

I have said that the government did not listen to the provinces of the east and west coasts, and it did not listen to northerners. I am particularly concerned about the last group. I proposed that the committee travel up north and listen to the people there. They do not think they have received a fair shake in this bill. Why could we not go up north and listen to the people there, considering that they were not consulted, considering that their offshore will be developed and that the pace of development will speed up? They were not properly listened to before the bill was presented. The people of the north were unanimous. They asked that the committee come up and listen. This view was held by the governments of the Yukon and Northwest Territories, the Dene Nation, the Inuit Tapirisat, the Metis Association and the many associations of the north.

I have a letter before me from the Catholic Bishops of the north pleading for fundamental justice. It is a fundamental principle to have a fair hearing. The committee heard from oil company after oil company and bureaucrat after bureaucrat, yet we never really heard from the ordinary people of the north. They want the right to be heard. Why? Because their lives and their land will be affected.

Frankly, I am surprised that a good Québécois like the Minister of Energy, Mines and Resources would apply such a colonial attitude to the north. I am surprised that he would take such an inconsistent attitude. His attitude is inconsistent with the Drury report, which was a government report on the north made by a former colleague of the minister who said that the northern territories should have a fair share, a piece of the action with regard to oil and gas revenues. Where is this provided for in the bill? Nowhere. The people of the north should have some say in environmental control since there are great dangers of oil spills on their offshore and in the Beaufort Sea. The minister's attitude is inconsistent with the Berger report. It is inconsistent with the government's own National Energy Program which talks about consulting northerners. His attitude is inconsistent with reality and logic. If there is to be proper development in the north and native people and northerners are to be included in that development, then they must have a better say in the matter than they have now.

I have said to the minister that the ideal thing to do would be to do what the Americans did when they developed the Alaska pipeline. Land claims were settled before they began construction of the line. They made sure the native people had a part to play in the future of Alaska. The American government was prepared to do that. We were not prepared to do

that in Canada and we will have nothing but trouble because of it. We may even eventually have rebellion in the north if we do not listen to the people of the north. There is a great judge of the north, a great Canadian hero who many people do not know about. His name is Judge Sissons, the first Supreme Court Judge of the north. He travelled around and brought justice to the people of the north. Someone said he brought justice to every man's igloo in the north and he literally did. He was made of the stuff heroes are made of. The native people of the north called him the one who listened. He was prepared to listen to them.

Having agreed to go up north, the Liberal majority on the committee, on the instructions of the minister, rescinded the resolution to go up north. I do not understand why we could not take that extra time and at least give the people of the north a fair hearing.

During the course of the debate on this bill we will be proposing numerous amendments. I am speaking specifically about the offshore amendment. Before I sit down I would like to talk about other areas of importance in the bill. We will propose amendments dealing with the grants and the giveaways. We will say that one needs to have equity. Let us take back some control if one is going to give 93 cents of every dollar. We will point out, too, that this is consistent with the pattern of the National Energy Program. There is a lot of big talk and a lot of talk of cancellation. But ultimately the furthest the National Energy Program may go is that there will be a replacement of the big American guys by big Canadian guys. We will make Dome Petroleum and the NOVA corporation and some of those companies the Standard Oil of Canada. We will make them the giants, and all through Canadian grants and incentives.

● (1600)

The Canadian people are starting to see in this bill that Canadian ownership is Canadian private ownership, not Canadian public ownership. I think Canadians are ready and want to have public ownership of their resources. I suggested in the committee, and I suggest now, Your Honour, that if one looks at the regimes of Norway and Great Britain, one will find that they are a lot tougher than this one. They do not have the 25 per cent backing. They are a lot tougher. I just want to read, if I may, what the vice-president of Petro-Canada told the committee. He told the committee that the land tenure and rent collection regimes proposed by Bill C-48 are less onerous than those applied elsewhere. He said that Petro-Canada developed a model of the economics of developing a field similar to the current Hibernia discovery off the east coast at a wellhead oil price of $41 a barrel. Then he set down how much money would be made, how much profit would be made, in millions of dollars. I will not go into those figures, but it is far higher in Canada than it would be in the United Kingdom or Norway.

Mr. McNicholas, the manager of the economics and public policy of Petro-Canada, in a letter to our chairman of the committee dated March 25, 1981, had this to say:

> It is clear from the above analysis that the development of a field like Hibernia yields higher present value returns and comparably higher rates of return on capital invested in Canada under NEP rules than in the U.K. or in Norway.

If these multinational companies are prepared to accept tougher regimes in Norway and in the United Kingdom, why do we not have these kinds of regimes in Canada? This is what our amendment will try to do. It will try to bring this regime up to a tougher standard.

This bill also speaks of the difference, when we are developing the offshore, between ownership and control. This bill talks about Canadian ownership. However, it is control which is important, so that we do not just have a number of dummy Canadian companies, dummy consortiums, which will be really controlled by Americans. That will be consistent with our history. We have been a nation—and this government has been the most to blame—which has allowed our oil and gas industry to be controlled by foreigners. We have done it again and again, and even after this bill is passed we are going to continue to do that.

Therefore, let me sum up by saying this. We believe that the provinces should control the offshore, but there should be an overriding federal power. There should be concurrent power, in the federal government and the provinces, in a number of areas like the environment, shipping, fishing and so on. Finally, there should be revenue-sharing as a result. That is the way Canada can work fairly.

I hear the hon. members criticizing and shouting at me. I say to them that they are very confident, that they can impose regimes on areas of the country where they have no members. They do not hesitate to impose their will on places. Now they are allowed to do that legally. However, I think that they should be very careful and should try to listen a little bit before they do that. The north is a prime example. They are imposing a regime on the north, and they are not even prepared to give a fair hearing to the northern people.

Finally, I say that this bill has been amended under pressure, I submit, from Americans. The government is yielding to pressure. It is also coming from the oil industry. My friends to the right, the Conservatives, are happy with this bill in many ways. They co-operated in getting it out of committee. They agreed to the closure in the committee; but when it was passed, they fought the bill in committee to try and get these things through, on Canadian content, on Canadian control, on a tougher regime, on a fairer regime for the coast, on a fairer environmental regime for fishermen and environmentalists, and finally, on a fair regime for the northern governments. Therefore, as a result of these changes which the committee has made to the bill, the people who have gained have been those in the oil companies, the large multinational companies and the large Canadian companies. The people who have lost are Canadians, as a whole, and specifically a number of groups.

Frank Scott, the great poet, a great Montrealer who is now in his eighties, I believe, once wrote a poem about the north and Canada. I remember one line from it: "A large land silent,

awaiting the struggle". The struggle has come in the north and in the east and west coast, because Bill C-48 will speed up, more than anyone in the country now realizes, I think, the development of our offshore and our north. We have to make sure that we have the toughest possible regime which will protect the interests of ordinary Canadians.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, it gives me great pleasure to participate in this debate at the report stage and to consider various amendments which have been proposed to this most important bill. I recognize, indeed, that this is a major piece of legislation which has great significance for the future development of oil and gas resources in Canada, and particularly all those resources which are in the Arctic and the offshore. This bill represents a major step forward compared to any previous legislation which has been put forward in the past, and, unfortunately, was never passed, for various reasons.

Up until now, this whole sector, that immense part of Canada which is part of the Northwest Territories, the Yukon and all the offshore, was controlled only via regulations adopted by the federal government; and some of the regulations, going back 20 years, have been completely outdated. Therefore, Bill C-48 brings a modern regime to Canadian lands, a regime which will compare favourably with any other regime set up elsewhere in the world and will ensure that the people of Canada as a whole are going to benefit from these developments. When I say the people of Canada as a whole, I obviously include, more particularly, the people in the regions neighbouring those developments or the regions in which those developments are going to take place.

This bill has given rise to extended debate. It was the hope of the government that this bill would have been considered only in the fall, at the committee stage and for third reading. As Your Honour knows, last week the government proposed that we adjourn and reconvene some time in October to pursue discussions of various legislative measures. Unfortunately, the Leader of the Opposition (Mr. Clark) has decided that we should keep on sitting in case legislation concerning the postal dispute is required, rather than adjourn and have the House resume at any time if such a measure is required. Today we are beginning this report stage. I do not know how long we will debate this project. Obviously, it will depend on how long we are required to stay before an adjournment is agreed to by the opposition. As far as we are concerned, we are very happy, nonetheless, to see that debate can begin on this particular measure. My parliamentary secretary gave a commitment that the bill would not be proceeded with on third reading before the House resumes in the fall. We certainly intend to keep this commitment, assuming, however, that the House will adjourn.

I want to repeat that if the House is kept in session through the whole summer and into September, we will obviously have to proceed with this bill; but I assume that the official opposition will conclude that it is reasonable to have some adjournment at some stage during the course of the summer.

The committee has had 73 meetings and heard 130 witnesses during that time. I have remarked that the hon. member for Vancouver-Kingsway (Mr. Waddell), as a good former Torontonian, talked about many aspects of this bill. He referred to a cartoon in the *Alberta Report*. I suggest that he should have read, rather, an article by Bob Hepburn entitled "The NDP's Energy Headache", in which this analyst, having attended the recent NDP convention, concluded—

Mr. Waddell: He was not there.

Mr. Lalonde: —that the NDP, as usual, is completely wishy-washy, if not completely awash, on the subject.

Mr. Waddell: He was not there.

• (1610)

Mr. Lalonde: The NDP did not even give birth to a mouse. The whole debate on energy at the recent NDP convention clearly showed that the NDP, as in so many other areas, does not know whether it is going or coming.

As far as the points raised by the hon. member are concerned, I want to stress particularly his argument about the people of the north not having been heard. This is a most unfair statement to make as far as the committee is concerned. If the hon. member had attended all the committee hearings, he would have realized that many representatives of the north came, including some very outstanding representatives. For instance, representatives of the government of the Northwest Territories, the Dene people and the Inuit were present. They made their representations. They were heard. Numerous briefs were presented on behalf of various organizations in the north. I am amazed that the hon. member for Vancouver-Kinsway had the gall to say the people of the north have not been represented when two members from the north, the hon. member for Western Arctic (Mr. Nickerson) and the hon. member for Nunatsiaq (Mr. Ittinuar), participated very actively in the debates of that committee. They brought a most constructive approach to those debates.

Mr. Waddell: That is what they are saying, not me.

Mr. Lalonde: I want to congratulate both members for the positive attitude they took and for the genuine effort they made in bringing improvements to the bill. Many improvements were accepted. I commend also the Inuit council on national issues which went to work and put forward constructive amendments and made strong recommendations respecting the bill.

In addition, I should mention that the hon. member for Yukon (Mr. Nielsen) had a few words with me. I did not see him too often during the committee hearings but I know that he was otherwise busy. Nevertheless he expressed his interest. However, the notion that three members of Parliament for the north, no matter from which party they come, would not be speaking for the people of the north appears to me to be the most outrageous statement to come from another member of Parliament. This kind of notion that members of Parliament in

this House do not represent the people of the north, that they do not speak for the people and that only the local governments and local voluntary associations are speaking for the people, I do not accept.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I recognize the minister should have an opportunity to speak and that I can reply at another time, but he should not misrepresent what I said. I never said members of Parliament were not representing people; the northern people said that. That is a deliberate misrepresentation on the part of the minister.

The Acting Speaker (Mr. Ethier): Order, please. Perhaps the hon. member for Vancouver-Kingsway (Mr. Waddell) does not appreciate the interpretation the minister is giving to certain words. However, that is a question for debate and is not a point of order.

Mr. Lalonde: Mr. Speaker, I hope this irrational interruption will be deducted from the time allotted to me.

Mr. Knowles: You have 40 minutes.

Mr. Lalonde: I recognize the hon. member for Winnipeg North Centre (Mr. Knowles). Indeed, I believe I have 40 minutes.

An hon. Member: You don't have to take it.

Mr. Lalonde: Therefore, I will not include this intervention. Nevertheless, I must remind the hon. member that the committee voted for additional meetings and voted to pay for the expenses of the people of the north who wanted to appear before the committee. Those proposals were agreed to by the committee and reiterated by the chairman.

In addition, at the invitation of the hon. member for Nunatsiaq, two members from the Liberal party travelled north and visited various communities. They met a number of people.

Mr. Wilson: Who paid for that?

Mr. Lalonde: The hon. member is suddenly worried about who paid. As the hon. member well knows, members of Parliament are entitled to ten trips across the country every year. He could have taken the trouble of going north as provided for by the rules of this House, along with any member of his party; but he did not bother to use that privilege. So I say to the hon. member that is his problem.

Mr. Waddell: That is a pretty weak defence.

Mr. Lalonde: Recently I went to the western Arctic. There I met representatives of various communities.

On the issue of amendments, there are several dozen amendments before us today. Well over 100 amendments were considered by the committee: some were passed and some rejected. The hon. member for Vancouver-Kingsway has referred to a cartoon in the *Alberta Report*. He should have been more attentive in committee. He should have known that there were many more amendments than those referred to in the cartoon. I remind him that an amendment was brought forward by the government which specifically guarantees the rights of the aboriginal people and says that this bill does not affect in any way, shape or form the titles and the rights which the aboriginal people in this country may have.

Mr. Waddell: That is laughable.

Mr. Lalonde: My hon. friend says it is laughable, but that is exactly the same clause as that found in the constitutional resolution which his party supported.

Mr. Waddell: That is right.

Mr. Lalonde: It is not laughable. It is a fundamental guarantee given to the people of the north, particularly the aboriginal people of Canada. There are amendments which will guarantee the aboriginal people the possibility of participating actively in the development that will take place in the north, either as individuals or through their co-operatives and the corporations they may set up, etc. These amendments have been brought forward by the government. Other amendments provide for the setting up of advisory bodies which will ensure participation by the people in the regions in the development that will take place and, in working closely with the government, in controlling the development that will take place.

Canada lands represent the future of this country in terms of resources, and in terms of oil and gas in particular. All the analysts indicate that the future security of this country in terms of oil and gas is most likely to come from the Canada lands.

What do we call Canada lands? This bill does not make any particular grab for jurisdiction; this bill provides only that what were Canada lands before continue to be Canada lands. There is no extension of jurisdiction nor any grab for it. For the last 30 years at least the federal government has legislated Canada lands.

As I said, we have been acting essentially through regulations, a very poor way, and with regulations that are very inadequate. Now we are coming forward with a proper legislative framework to ensure that the people of Canada will know the rules of the game. They will know that Parliament will have pronounced on the legislative regime to apply to Canada lands. This means essentially at least 40 per cent of the resources left in this country, probably more. It means all of the lands we find in the Yukon and the Northwest Territories and all of the water resources surrounding Canada, off the west coast, in the north and off the east coast. These are Canada lands. These are the lands for which we as the Parliament of Canada are responsible on behalf of the people of Canada.

There are those, and we hear them on the other side, who are afraid of assuming their responsibilities, who feel that the Parliament of Canada or the federal government cannot be trusted with the responsibility of ensuring an orderly develop-

ment of those lands; that those lands and the resources that are there should be hived off to whatever regional or provincial governments there are. We as national parliamentarians and as the Parliament of Canada are too far removed, too weak, so short of imagination that we will not be able to ensure in those lands a regime that will benefit the people of the regions and all the people of Canada. We will not be able to have a regime which will ensure development and at the same time protect the environment and the rights and interests of others, such as the fishermen.

● (1620)

The solution of those opposite is to say: "Hive it off to the provinces; let the locally elected people in the regions run it, the national government cannot do it". That is not the view of this government. It is not the view for any proper national government of this country. In fact, there is not one federation in the world where the offshore resources belong to the regional governments, the provinces or the states, not one.

Members opposite are afraid to take responsibility for protecting the interests of Canada. They believe this should be up to the provinces, territorial governments or other groups. That is not our view. Our view is that those lands belong to all the people of Canada. The immense wealth that is there belongs to the people of Canada as a whole.

The Parliament of Canada is the guardian and trustee of the immense wealth which should be developed and protected in the interests of the people of Canada as a whole and the people of the regions concerned in particular. That is our view. That does not mean that this national government is not interested and concerned about a proper role and a proper share for the people in the neighbouring regions or the provincial or territorial governments of the regions where there are Canada lands. That is not our view. Over this past decade our view has consistently been that we want an arrangement with the provincial and territorial governments to ensure that there is proper development and that it is carried out on a co-operative basis.

It is the Prime Minister (Mr. Trudeau) who initiated an agreement with the maritime provinces many years ago. The three maritime provinces agreed with the federal government on a regime for the development of offshore resources in the maritime provinces. What happened? The agreement which was arrived at voluntarily by the various governments was later cancelled by some provincial governments. Unfortunately, since then it has not been possible to arrive at another agreement.

It was not the federal government which cancelled the agreement. It had been willingly entered into by the four governments concerned. At a certain stage some of those governments withdrew their agreement. Since then we have consistently tried to work out an arrangement with the provinces concerned so that this development takes place on a co-operative basis. We continue to strive to arrive at such an agreement.

Any agreement has to take into account the rights and responsibilities of the national government for the people of Canada. We differ from the parties opposite because we believe that the people of Canada, through their national government, have an interest in this. Some members opposite say that the rate of development of the Canada lands should be left to the neighbouring governments. We disagree fundamentally in that regard. Do we want a situation where a particular province could block indefinitely the development of resources in the offshore areas or in the north while the people of Canada are importing oil and are unable to develop those resources that are needed for this country? Do we want a situation where Premiers could do with offshore resources on lands or waters which belong to the people of Canada what was recently done by the Premier of Alberta when he cut off production because he did not like the price?

When the resources belong to the people of Canada, would it be responsible to have a situation where the Premiers or heads of various governments could veto development? We do not agree with that. We want to arrive at arrangements where development is done on a co-operative basis, where the rights of the regions and the people in those regions are protected and at the same time the rights of the people of Canada are protected by their national government. That is our belief.

The notion that a particular region of this country could prevent the people of Canada from getting the benefit of resources which belong to them is one which we as a government cannot accept. In that regard we dissociate ourselves from the position of the parties opposite.

We have had meetings with some of the provincial governments concerned. I am sure there will be more. We have indicated that we are eager that provinces such as Newfoundland will be a major beneficiary of such development. As the hon. member for St. John's West (Mr. Crosbie) has indicated, that province is in a difficult economic position. It is one of the poorest provinces in this country. It is important that any development which takes place is done in such a way that it does not hurt the economy and social life of Newfoundland but ensures a dynamic society and economy for that province. That is the position of this government. That is the type of arrangement we would like to arrive at with the government of Newfoundland as well as those of the other maritime provinces, British Columbia and the governments in the north.

This does not mean that the courts have no role in this regard. I find it strange that some members would appear scandalized at the notion that the national government could go to court if there is no agreement on some issues with a particular provincial government. The provinces can take the federal government to court every day of the week. Those opposite find that quite normal. In fact, they think it is great if a province takes the federal government to court. I believe the same role should apply to both sides.

Sometimes there are honest disagreements between citizens of this country or between governments of this country. If you cannot work out a deal in a civilized society, the judicial system is asked to arbitrate and decide who is right and who is

wrong. There is nothing scandalous about that. That is the way every civilized society has operated in the past. That is the way democratic society in this country will operate in the future. For example, the issue regarding offshore jurisdiction is before the courts at the present time. That is not at the initiative of the federal government. I remind hon. members there was a joint reference on the west coast between the B.C. government and the federal government. It was an agreed reference. The Supreme Court of Canada concluded that the federal Parliament had jurisdiction offshore on the west coast.

• (1630)

As far as the east coast is concerned, particularly Newfoundland, there is a case before the Federal Court of Appeal at the present time which has been initiated by the Seafarers' International Union during which the issue of jurisdiction is being debated, and I suspect that the court will be called upon to arbitrate in this respect and both the Newfoundland government and the national government will be *mise en cause*; they will be called in as intervenors in that particular case. We will see what will be the results of that particular litigation.

As far as we are concerned, we are not closing the door even now on pursuing negotiations between the governments concerned which would arrive at a satisfactory conclusion for all. Therefore, what we have put forward in this bill is a whole train of measures which will ensure that for the first time the people of Canada, through their national government, are going to be significant beneficiaries in a very direct way from the development that will take place in Canada lands. For the first time the Canadian people will have a 25 per cent interest in the development of Canada lands. For the first time there will be very tough rules whereby there will be requirement for procurement of goods and services and Canadians will be able to compete for the procurement of those goods, and Canadians will find themselves in the advantageous position of seeing their ability fully exploited and their manpower fully used in the 12 projects that will take place in the north.

Quite clearly there will be significant development in years to come. In the view of this government—and we have appreciated the representations made before the committee, as well as through letters from all kinds of groups in the country who are concerned about the people living in the regions—this will remain a very, very high priority and a very high source of concern.

I submit that we have debated long enough. This bill has been before Parliament since December. I have referred to the 73 meetings that took place before the committee and the 130 witnesses who have been heard. I submit the people of Canada expect the Parliament of Canada to act at a certain stage, and certainly on an issue as important as this one, on a bill that has so much significance for the future of those lands and the future of energy security in this country, I hope Parliament will make up its mind eventually and reach a conclusion.

[*Translation*]

Mr. Speaker, in the two minutes left to me, I merely want to stress the importance of the bill. This bill concerning Canada lands is the most important measure brought forward by the Canadian government in the energy field in many years. The bill covers the entire Arctic, all offshore mining rights. Those are the areas which in the coming decades will provide for Canada the energy security it needs.

We feel as a government that those resources belong to all Canadians and that we should see to it that all Canadians benefit from them. That is why we have provided in this bill, for example, that Canadians will be directly entitled to a 25 per cent interest in any future developments on Canada lands.

We have taken steps to ensure that Canadians will remain strongly competitive when they sell their assets or provide their services. We have taken steps to ensure that the economy and the Canadian workers throughout Canada may benefit from developments taking place on Canada lands.

We have also taken steps to ensure that the areas in the vicinity of those developments are the first to benefit from them. The Prime Minister has said so repeatedly, as I have. Discussions and negotiations are being pursued with the governments concerned with a view to making sure that developments on Canada lands will take place in an orderly way that will be of benefit not only to the regions concerned but generally to all Canadian citizens whom it is our duty to represent as parliamentarians, as members of the Parliament of Canada. In that sense, we reject the opinion that federal parliamentarians do not have the guts, the imagination nor the sense of responsibility needed, in short, the courage to make sure that those developments can take place for the good of all Canadians whom it is our duty to represent here.

[*English*]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in my remarks I will confine myself to the question of the offshore, which is the subject of this motion moved by the hon. member for St. John's East (Mr. McGrath). Let me say that the minister who has just sat down has really represented today the Liberal party in its true arrogance and its true scorn for anyone who is not of that one ilk, its true blindness and smugness.

This is not a unitary state, this is a confederation, and the Liberal Party of Canada epitomizes certain central Canadians in the kind of approach the minister indicated today, blindly and smugly believing that no one else in Canada should ever have their day in the sun. We are never to have our day in the sun in Newfoundland; we are never to have our day in the sun in Nova Scotia, Prince Edward Island or New Brunswick. If there is a prospect in those areas of wealth from some offshore resource, that is not to be permitted to be ours. We are not to have that by right. We are only to have that—and I use the minister's language—if those people opposite, in their great wisdom, their great benevolence and great mercy, decide to give it to us.

The minister said in his speech that these resources belong to the people of Canada as a whole. These resources that are offshore belong to the people of Canada as a whole, as though

if they are owned by Newfoundland, Nova Scotia, New Brunswick and P.E.I. they do not belong to the people of Canada. In other words, Alberta should not have owned its resources in the first place, nor Saskatchewan, British Columbia, Ontario or any province, because if they owned those resources they do not belong to the people of Canada as a whole. That is a whole new concept. The minister said they have to belong to the people of Canada as a whole but can only if this government owns them; that is, the Government of Canada.

He then said: We will give a proper share to the provinces. Does this government not see that we do not want it to give us a proper share. We say we are entitled to it. We say it is our right. We are not coming up here like lap dogs with our paws out looking for gifts from the great Liberal governing party of Canada. That is not acceptable to us. We do not accept it. It is ours by right. It should be ours not to be given to us by the great Liberal hegemonists of central Canada who think the rest of the country has to bow to them as long as they can continue getting the majority in the ways they have in the past. We do not want this minister giving us one thing. We are not going to put ourselves at his mercy down in Newfoundland, having him or the Prime Minister (Mr. Trudeau) give us something. We do not want to be given anything; but we want what we say we are entitled to. We want what we say we have the right to. We are not going to plead with the Liberal Government of Canada for anything.

Let us consider the legal position. I do not care what the Supreme Court of Canada would decide on legal grounds is the position with reference to offshore resources. I do not care if the Supreme Court of Canada would say for technical, legal reasons it is legally owned by the Government of Canada. I would say: So what! Our party would say: So what! That might be the technical, legal position, but it is not the right moral position. It is not the right equitable position. It is not the right confederation position. It is not the right spirit of confederation position. So we do not care what the Supreme Court of Canada would say in Newfoundland; it will not satisfy us because we do not see any reason why we should be treated differently from the other provinces of Canada.

● (1640)

Mr. Cullen: The Conservatives do not care what the Supreme Court says.

Mr. Crosbie: Perhaps you cannot understand that. Let me say it again. The technical, legal position which might or might not confirm the federal government as being the technical, legal owner is irrelevant to the whole situation, completely irrelevant.

I refer to a document from the Parliamentary Library, "Offshore Mineral Resources: Legal Aspects". It says this at page 2:

> At Confederation, Nova Scotia, New Brunswick, Quebec and Ontario retained ownership of the "Lands, Mines, Minerals and Royalties" and all "Public property" then belonging to them; this was embodied respectively in Sections 109, and 117 of the British North America Act. This proviso was also made applicable to Prince Edward Island and British Columbia when they joined Canada.
>
> In the western provinces, the situation differed initially, as the natural resources were reserved to the federal government when Alberta, Saskatchewan and Manitoba were carved out of Rupert's Land. However, the BNA Act of 1930 subsequently transferred the same rights to those provinces.

Do you understand, Mr. Speaker, that Alberta, Saskatchewan and Manitoba had no legal right to their resources until 1930 and that they were in fact technically, legally owned by the Government of Canada? That is why I say I do not give a fig what the Supreme Court of Canada says is a technical, legal position on the offshore resources. They should receive the same treatment as the resources in Alberta, Saskatchewan and Manitoba received in 1930.

What happened in 1930? The British North America Act of 1930 subsequently transferred the same rights to those provinces. When Newfoundland became part of Canada in 1949 it was put in a similar position by term 37 of the Terms of Union. Thus, there is historical and legal justification for provincial resource ownership.

Then, of course, there is a dispute about the offshore resources. It is a technical dispute. Are they within the boundaries of the provinces? And so on and so forth. The Supreme Court of Canada made a decision with reference to British Columbia in 1967 which is persuasive but not conclusive as regards the other provinces because the technical, legal aspects with reference to Newfoundland have to be decided with respect to the law of 1949 and not the law of the nineteenth century and so on.

So our party takes a fundamentally different view. We take the same view that the Parliament of Canada took in 1930 with reference to Alberta, Saskatchewan and Manitoba, that resources belong to the provinces, and just because they are under the salt water off the physical shores of the province makes not one whit of difference to that principle, that equitable principle, that principle of confederation, that fair principle, that just principle on which Canada was set up in the beginning and under which Newfoundland entered confederation in 1949. That was the understanding we had of the situation.

Up to 1971 we had a government in Newfoundland which did not care about the offshore. It did not defend Newfoundland's position. It did not put forward a case. I refer to the Smallwood Liberal government. It surrendered to the federal government. It was prepared to cast off the offshore resources. As a matter of fact, it is a lucky thing it did not go any further because it had given a whole series of permits to Mr. John Shaheen and to Mr. John C. Doyle of Canadian Javelin and the like. All it ever did with the offshore was give concessions to these favourites of the then Premier.

In 1971 that situation was changed. A new government took over in Newfoundland and adopted a different attitude to the offshore and has dealt with it in a much more serious and convincing fashion. It has set up an administration and a regime and a department that can administer it, that has people involved in that department just as good in every way as the people involved in the civil service of Canada or of Alberta,

Saskatchewan or whatever. We in Newfoundland are ready to handle our full responsibilities as owners of those resources.

What about this view that somehow Newfoundland has suddenly become rich? You can forget that, Mr. Speaker. Newfoundland is still the least rich province of Canada if we just look at one example of that, and I am quoting now from a document of May, 1980 prepared by the government of Newfoundland. They point out that in 1978, the latest year for which statistics were available, Newfoundland ranked a dismal last in the nation in terms of earned income, income that we earn down there. It is not given to us, not transferred to us, not coming from somebody else, not given—you put your hand out like a poor old trained seal and somebody puts it in your hand; it is earned income that people earn. We are the last of the ten provinces in Canada, and if we take Newfoundland per capita earned income at 100 in the year 1978, Ontario was 208. It had double the per capita earned income of Newfoundland. Our disparity was 108 per cent compared to Ontario. British Columbia was 205. Our disparity was 105 per cent compared to British Columbia. And so on down to Prince Edward Island, which was 14 per cent better off than Newfoundland was in earned income in that particular year. That is the situation of Newfoundland.

Supposing Newfoundland—and this argument applies to the other Atlantic provinces also—is recognized by the federal government, no matter what the legal, technical position is, as being the owner of those resources just as if they were under the land, just as if we were Alberta, Saskatchewan or British Columbia. The federal government would not be giving much away. The federal government would still have the right to impose a corporation tax. The federal government would still have the right to impose any means or method of taxation, direct or indirect. It would still have all its tremendous constitutional powers that it has today in relation to the resources of Alberta, Saskatchewan or wherever they are. It would be no different.

Now, this year Newfoundland is going to get $782.4 million in transfer payments from the Government of Canada; $416.7 million in tax equalization. When we include all the established programs financing, $782.4 million is a sizeable amount in relation to Newfoundland. But I point out that Quebec is going to get over $6 billion and that even mighty Ontario is going to get $4.909 billion, and so on. Do not think that Newfoundlanders are the only ones getting money under these programs. We are getting $416 million in tax equalization.

If Newfoundland at some point becomes entitled to the royalties and a lot of the revenues that come from the ownership of oil and gas resources, then it will no longer be receiving $416.7 million in tax equalization. It will no longer need it. That will save the Government of Canada $416 million and, of course, in ten or 15 years' time it will be a far larger sum. If the four Atlantic provinces become self-sufficient and self-sustaining because of offshore resources, it would save the Government of Canada hundreds and hundreds of millions, even billions, of dollars.

Why is this government so dedicated to the position that these areas must be kept dependent? Because that is what they are saying in this bill. That is what they are saying in their oil and gas policy. "We are dedicated to the proposition that you in the Atlantic provinces and Newfoundland will always be dependent on us here in Ottawa" and "If you do not do as we tell you to do, we are going to punish you," just as this government is punishing Newfoundland and Newfoundlanders today in every way, shape and form they can—

Mr. Breau: Nonsense.

Mr. Crosbie: —in their restriction of spending and federal expenditures in that province. I do not have time today to document it but I can, and that is why the minister opposite who represents us is going to have to run. He is going to be like Hughie Shea, the fastest man on two wheels ever to go through the Goulds. He is going to be the fastest man on two wheels ever to go through Grand Falls-White Bay-Labrador unless he changes some of his actions when the next election comes.

We are not a have province. The Prime Minister indicated in a speech to the Liberal party in Newfoundland that he is ready to discuss this issue and to try to get some resolution of it. He says he wants Newfoundland to have 100 per cent of the revenues. This is all weasel wording, of course. What revenues? He says he wants us in Newfoundland to have 100 per cent of the revenues. He does not define what they are. He says we should have those revenues until we become a have province. What is a have province? Who defines it? Who decides when Newfoundland becomes a have province? We have just seen this House pass legislation to provide that Ontario is a have province when, according to the equalization formula, it is a have-not province now.

We just passed in this session legislation to change the definition in terms of "have" with respect to Ontario, because Ontario was entitled to tax equalization until we passed those recent amendments. So who can define what a have province is and what a have-not province is? Is Newfoundland, if it entered into such an agreement with Canada, to leave it up to the Government of Canada to decide when it is have and when it is have-not, and when it loses the revenues? When it loses oil and gas revenues because it is a have province, how can it remain a have province? If you had all those revenues and they made you a have, and then the federal government says "You are a have" and they take the revenues back, are you still going to be a have, or are you going to be a have-not? That is some deal to offer the province of Newfoundland! I hope the Prime Minister is going to be a bit more serious than that.

● (1650)

The Premier of Newfoundland has written the Prime Minister to say that he is ready any morning, afternoon or night to meet with him and discuss this issue, to try and negotiate some settlement. However, he is not going to throw away Newfoundland's rights and opportunities just because the squeeze has been put on by the mighty Liberal government in Ottawa

to try and bring Newfoundland to its knees by cutting back federal spending, by treating the province with shabby manners, insulting statements from federal ministers about provincial ministers and the like. It is a disgusting exhibition of bullying and arrogance of the worst type.

Now, Mr. Speaker, on September 5, 1979 the then prime minister, now Leader of the Opposition (Mr. Clark), met with Premier Peckford. Then on September 14, 1979 a letter, which my confrere the hon. member for St. John's East has referred to, was sent which outlined four principles to resolve this whole issue. If we had continued in office, the offshore issue would be settled now. There would be substantial progress toward developing the Hibernia oil field. This is another example of how this government's arrogance, stubbornness and wrongheaded policies are holding up self-sufficiency in oil and gas for Canada.

An hon. Member: Another failure.

Mr. Crosbie: As long as this dispute continues, the development of Hibernia and other fields is going to be delayed. Another failure. The Cold Lake failure. The Alsands failure. The economic failures. The hypocrisy of their economic policies. Oil rigs leaving the country.

Today the Minister of Energy, Mines and Resources (Mr. Lalonde) gave us one of his best examples of reptilian arrogance, reptilian bootheeling. You could hear his jackboots cracking on the floor of the House as he explained how he represented all Canadians, he and only he, and his government. They do not represent the Canadians who live in my district, they do not represent me, they do not represent the west at all. They are arrogating unto themselves the idea that they represent all of the Canadian people. The premiers do not represent anyone, just the people in the provinces. Well, it is the ten provinces that make up Canada, and those ten premiers together equally represent the people of Canada—

Mr. Lalonde: They cannot agree. What can they agree on?

Mr. Crosbie: —not just the members elected to this House. This is a confederation, Mr. Speaker, not a unitary state. This is not yet a Liberal dictatorship, even though they want us to carry on as if it were.

The minister said Newfoundland should be—he said "should be"—a major beneficiary of offshore development. Thank you, Mr. Lalonde. Thank you for these small mercies. I am sure your fellow cabinet minister, the Minister of National Revenue (Mr. Rompkey), and the four other Liberal members from Newfoundland are saying to you every day, "Thank you, Mr. Lalonde."

Some hon. Members: Order.

Mr. Crosbie: They are tipping their caps to Mr. Lalonde.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Crosbie: Mr. Minister. Thank you, Mr. Minister.

The Acting Speaker (Mr. Ethier): Order, please. I am sure hon. members get carried away and forget that hon. members should be referred to by their constituencies and not by name.

Some hon. Members: Carry John away.

Mr. Lalonde: Carry him away.

Mr. Crosbie: They are saying every day, "Thank you, Mr. Minister."

Mr. Evans: Mr. Speaker, I rise on a point of order. I wonder if the hon. member, at the end of his speech, could take ten seconds and summarize the important points he has made.

Mr. Crosbie: Mr. Speaker, that shows you why that gentleman is a parliamentary assistant; that is the highest he is ever going to reach. He is never going to get one centimetre higher. In the metric system or in any system in the world, that parliamentary assistant will never go one iota higher.

The gentlemen of the NDP are used to discordant singing; they had a lot of it out in Vancouver at a recent convention.

An hon. Member: Ask Benno Friesen. Where is Benno Friesen?

Mr. Crosbie: Where is he?

An hon. Member: He was there.

Mr. Crosbie: We do not have all that long to speak in this debate, Mr. Speaker, and I probably have only—

Mr. Knowles: We have all summer.

Mr. Crosbie: Well, we do have all summer unless the government listens to reason, and probably they will.

An hon. Member: Don't bet on it.

Mr. Crosbie: The minister referred to the maritime agreement. Well, that was entered into by several Liberal administrations in the Atlantic provinces which have been swept out of office.

Mr. Lalonde: The Hatfield—

Mr. Crosbie: The Hatfield administration. I will not say any more than that about that. When the Buchanan government came to power in Nova Scotia and the new PC government of Prince Edward Island, that was the end of this maritime surrender agreement entered into by those Liberal governments. It was terminated because they were no longer going to go along with that. They are hoping the hon. gentlemen opposite will come to their senses.

Mr. Lalonde: Mr. Hatfield—

Mr. Crosbie: Mr. Hatfield can speak for himself. He certainly appears to do that.

We are not happy with this bill. The hon. member for Vancouver-Kingsway (Mr. Waddell) suggested we were. We

are positively unhappy with this bill and unhappy with this government. We are not the happy hookers of Ottawa; that is the hon. gentleman's leader who jumped into bed with the government on the Constitution and on energy, and they have been in bed ever since. Now they are trying to wriggle out of bed by trying to convince the Canadian public they are no longer happy hooking with the Liberal government.

Mr. Waddell: Who closed off the debate?

Mr. Crosbie: Do not accuse us of being happy with this bill. We are determined to oppose this bill. Why did the hon. gentleman not ask this House of Commons committee to go to the east coast and talk to the people?

Mr. Waddell: He did.

Mr. Crosbie: Not just to the north, but to the east coast, the west coast and the north to see what conditions are actually like. Get out of central Canada; leave the salubrious atmosphere of Ottawa and see what life is really like. See what the people down there—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. Nevertheless, he may continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Crosbie: I will terminate quickly, Mr. Speaker.

Some hon. Members: Terminate, terminate.

Mr. Crosbie: I just say, Mr. Speaker, if we pass this motion—

The Acting Speaker (Mr. Ethier): Order, please. Did I hear someone disagree?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Agreed.

Mr. Crosbie: Is there agreement for me to carry on?

The Acting Speaker (Mr. Ethier): I gather there is not unanimous consent.

Mr. Lalonde: Next time, John. There are 57 amendments; you have 57 speeches.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social Security—Minister's commitments to improve pensions for women, (a) request that minister press for action by government, (b) minister's role in advocating income tax reforms; the hon. member for Provencher (Mr. Epp)—Post Office—service provided by rural offices during postal strike, (a) treatment of employees who remain on duty; the hon. member for Halton (Mr. Jelinek)—Post Office—government position on postal strike, (a) suspension of right to strike.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motion No. 3 (Mr. McGrath).

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I have a few words to say on this particular motion moved by the hon. member for St. John's East (Mr. McGrath). I think what we have seen in the last hour or so has been quite an interesting display. It is interesting that the hon. member for St. John's West (Mr. Crosbie) would find it necessary even to rise after what was a rather excellent presentation by the senior member in the Tory caucus from Newfoundland, the hon. member for St. John's East. He is a man who has been here for some years and who demonstrated his knowledge of the subject this afternoon. I listened with great interest to what he had to say and, while I did not agree with everything he said, he certainly made a very good case. I for one, as a fellow Newfoundlander, certainly want to congratulate him.

Some hon. Members: Hear, hear!

Mr. Simmons: I find it a little disconcerting and revealing that the hon. member for St. John's West thought it necessary to rise and make an effort to improve on the arguments of the hon. member for St. John's East.

Mr. Nystrom: The junior member.

Mr. Simmons: I found it really significant that the junior member, the hon. member for St. John's West, could not identify himself with the remarks of the hon. member for St. John's East, but elected in this important debate to carry on the feud which has been evident between them for some years, especially since the junior member came to this chamber.

It is not often, Mr. Speaker, that I come to the defence of my good friend, the hon. member for St. John's East, being of a different political stripe and all that, but I think it is a bit of a pity that an attempt has been made to humiliate him in this House this afternoon. The implication is made by the hon. member for St. John's West that somehow the hon. member for St. John's East was not able to put the argument forward, and that he, the junior member, had to rise and elaborate and embellish the argument, as it were. Indeed, in some instances he took a very different tack from the hon. member for St. John's East. Mr. Speaker, I think the record should show that.

Just to make a quick and passing observation before I come to the substance of the motion before us—

Mr. Waddell: Don't do that. Don't stop now!

Mr. Simmons: —I thought some of the wind had gone out of his sails. He was just a shadow of his former self today. There was lots of sound and lots of fury, all signifying not very much. He was really not up to it today. If hon. members observed closely, his heart was not in it any more. I suppose it is very difficult. It becomes embarrassing to rise in the chamber and go through the motions of identifying with the hon. member for St. John's East, a gentleman one rarely identifies with on anything. It was more important and significant that he found himself defending the premier of the province which the hon. member for St. John's East, the hon. member for St. John's West and I represent in the House. He placed himself in the position of actually being on the same side of an argument as the Premier of Newfoundland. It must have been galling and very embarrassing for the hon. member for St. John's West.

● (1700)

A week or so ago on a very related issue he took quite a different stance. The hon. member for St. John's West is not known to be silent on many issues, but let me draw the attention of the House to a matter on which he has been extremely silent, and not only he but the hon. member for St. John's East as well.

A short while ago in the House the Minister of Energy, Mines and Resources (Mr. Lalonde) rose and told the House that the government was prepared to facilitate the movement of hydro through the province of Quebec. We all know the stance of the hon. Leader of the Official Opposition (Mr. Clark) on it. He is on the record as being against it; the hon. member for Yellowhead opposes it. We know that the Premier of Newfoundland is very much in favour of it because he came out and said no. We must give the man credit: he came out and said that he was happy with the new initiative of the government.

What did the hon. member for St. John's East say or what did the hon. member for St. John's West say on that particular issue? If they are as concerned about energy issues as they affect the economic future of Newfoundland as they purported to be in the House this afternoon, where is their voice on the issue of transmitting hydro through Quebec? Where is their voice? It has been completely silent. There was not one tittle, not one syllable, not one word from the hon. member for St. John's West; not a word, not a syllable, not a phrase form the hon. member for St. John's East on the issue. Why? It was because they were caught.

Mr. Crosbie: That is not the subject.

Mr. Simmons: The hon. member for St. John's West conveniently says that that is not the subject. Now he wants to split hairs. He wants to say that we should not talk about this kind of energy. Let us compartmentalize it now to satisfy the hypocrisies of the hon. member for St. John's West; let us talk about oil today and leave hydro energy over there because it might embarrass him. I am not too concerned if I embarrass the hon. member for St. John's West on this particular occasion. If he wants the floor to tell us where he stands on the transmission of hydro through Quebec, I will yield the floor to him for a moment. In two weeks he has not said a solitary word on the subject. We still do not know where he stands. He has two fairly clear choices. Does he stand with the federal leader of his party or with the provincial leader of his party? He cannot do both because they are diametrically opposed positions. One is for it, the other is against it.

Mr. Crosbie: I am ready to speak.

The Acting Speaker (Mr. Ethier): Is the hon. member for St. John's West seeking the floor on a point of order?

Mr. Crosbie: Mr. Speaker, it is a point of order only in the sense that the hon. member offered to let me speak on this issue. Let me make it quite clear that on the issue of the spurious announcement of the Minister of Energy, Mines and Resources, it was something he might do in a proposed bill if it was passed by the House. It was all very speculative. The government is still not committed to it.

Mr. Lalonde: Where do you stand?

Mr. Crosbie: It is hardly worth passing a comment on it.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Crosbie: I am quite disappointed in the illusion which has been created this afternoon.

The Acting Speaker (Mr. Ethier): Often invitations are given across the floor requesting the viewpoints of certain members, but at this time I invite the hon. parliamentary secretary to conclude his remarks on the motion before the House.

Some hon. Members: Hear, hear!

Mr. Simmons: Mr. Speaker, I think I demonstrated the seriousness of my invitation by allowing him the floor to state his position. It became clear—and *Hansard* will show how clear—that in the three or four sentences he uttered he avoided giving any position. He cast aspersions on the legitimacy of the legislation being proposed and that kind of thing but he avoided skilfully, as only he can do, giving a

position of any particular kind. He has still managed not to state a position. He was just given an opportunity in the House. Let the record show that he has no position on this issue.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. An opportunity was also given to the hon. parliamentary secretary to confine his remarks to the motion.

Mr. Crosbie: Stop trying to overtake your cabinet colleague. You are not getting anywhere, Roger. Rompkey is firmly attached to the cabinet table.

Mr. Simmons: He is doing very well. The Minister of National Revenue (Mr. Rompkey) is doing very well despite the vicious attack on him this afternoon by the hon. member for St. John's West.

Some hon. Members: Hear, hear!

Mr. Simmons: I quite agree that it is difficult to do two things at one time.

Mr. Waddell: You are doing it.

Mr. Simmons: It is difficult to address oneself to this bill and to respond at the same time to the irrelevancies raised by the hon. member for St. John's West. If I erred in that respect I am genuinely sorry. I was attempting to respond to some of the issues he raised, but they were so far off the subject at hand that in the process I got fairly far afield in my response. One mistake the hon. member for St. John's West makes repeatedly—

Mr. Waddell: This is not the Newfoundland legislature.

Mr. Taylor: Keep trying, you will get a seat in the Senate.

Mr. Simmons: Which is more than you can hope for; the cutoff is 75.

Mr. Crosbie: Pitfield for Newfoundland!

Mr. Simmons: Hon. members opposite are in an euphoric mood. None of their leaders is here today, so they can afford to be somewhat euphoric.

Mr. Nystrom: Crosbie is here.

An hon. Member: That is what he said, that there are no leaders over there.

Mr. Simmons: When I am not praying that the present leader will continue as leader, I pray that the hon. member for St. John's West will be the leader because he would be the second best thing for us on this side.

Mr. Crosbie: Thanks for the publicity.

Mr. Simmons: One of the mistakes the hon. member for St. John's West often makes—and he made it again in discussing the item before us—is the old "them" and "us" dichotomy. Members of his party do it generally. They talk about the Government of Canada as "them". It is part of the opposition mentality which I suppose they have grown used to over the years. They never see themselves, the Tories, as government. Aside from that they have developed an adversary role that somehow the Government of Canada is out there, is "them" and that the provinces are "us". Who does the hon. member represent here? If he wants to be in provincial politics, let him be in provincial politics. Indeed, he was there for some years with somewhat of a reputation.

He talked about Newfoundland being the last in earned income in Canada. He was a Liberal minister for a couple of years in Newfoundland. Then he got tired of that and he was a Tory minister for five years. Is he saying that those seven or eight years were all for naught, that he made no contribution toward raising Newfoundland by its bootstraps? Is that what he is admitting to the House in this particular instance, that his eight years as the great white hope in the Newfoundland cabinet was all for naught? Is that what he is telling us this afternoon?

Let me take a look at the comments of the hon. member for St. John's East on this particular bill. It is to his credit that the hon. member for St. John's East gave us his views on the bill. The hon. member for St. John's West gave his views on just about everything but the bill. The hon. member for St. John's East made some fairly pertinent comments on the issue we are supposed to be addressing this afternoon. I will respond to several items in no particular order. Perhaps it will be the order in which he mentioned them or the reverse order.

He talked about ownership controlling the rate of development. Certainly he did not really believe that. There are all kinds of examples around him, both in this field and in other endeavours, where ownership per se does not control the rate or nature of development. That is another one of those red herrings which gets dragged in to support motherhood causes.

● (1710)

In the process he tells us about how his leader, the then prime minister, the hon. member for Yellowhead, went down with a letter in which he articulated several points as a proposal. We do not dispute the accuracy of that particular statement. We all remember that the letter of proposal was put to the Premier of Newfoundland. But what the hon. member did not tell us about, and what the hon. member for St. John's West did not tell us about, was the other meeting between those two leaders, the Premier of Newfoundland and the then prime minister. They did not tell us about the meeting which took place during the first week or so of February in the Confederation Building in St. John's. In that meeting the then prime minister was asked, in public, in front of the press, by the Premier of Newfoundland whether before the election he would put in writing, not a proposal, a set of ifs, but a commitment. That is where the bluff was called. To his credit, the Premier of Newfoundland called the bluff.

We all know the result since it was broadcast on national television that night. When put to the test the leader of the Conservative party, the then prime minister, said he could not do that. He refused to do that. He was prepared to do anything verbally or by way of ifs and proposals, but given the clear request of the Premier, in public, in front of television cameras and journalists, he said quite categorically that he could not do that. He could do anything but commit himself in writing to what he was attempting to convey verbally to the people of Newfoundland.

It seems to me that if we are considering events in history, if we are going back and talking about the Tory record on this particular issue, then we must keep in mind that given the one opportunity to put their money where their mouth was, given the opportunity to correct the record and to give a firm undertaking to the government of Newfoundland on this issue, they reneged and backed away from it. They refused quite explicitly, not by implication only but quite explicitly, to be part of any such arrangement. Is there anyone in this House who will deny that, Mr. Speaker? Is there anyone here who does not remember that day when the then prime minister of Canada said quite categorically and publicly that he was not prepared to put it in writing at the particular time?

Mr. Wilson: Give us the reason why.

Mr. Simmons: If there are whys about which I am not aware, and if there are reasons, there is a great deal of opportunity for members opposite to place them on the record. What I am saying here today is that the two spokesmen from the Tory opposition who spoke in this debate this afternoon carefully avoided any reference to that particular issue because it is something which they would like to forget. Newfoundlanders do not so easily forget that kind of misrepresentation.

Mr. Wilson: Tell us the whole truth.

Mr. Simmons: Mr. Speaker, Newfoundlanders do not so easily forget that kind of deception.

Mr. Wilson: The minister agrees that it is a total distortion.

Mr. Simmons: What is a total distortion, Mr. Speaker, is what the then prime minister tried to perpetrate on the people of Newfoundland. The Premier of Newfoundland, to his credit, called his bluff. He called his bluff two weeks before the last general election. If the Tories' policy has changed on this subject, then I am not surprised. In the last two weeks their policy has changed on the postal dispute. The hon. gentleman for Yellowhead said two weeks ago that he was against a legislated return to work. Suddenly his party has ramrodded him into the reverse position. That is not strange. I call to mind Jerusalem and other issues on which they changed their minds.

Mr. Nystrom: What about PetroCan?

Mr. Simmons: We can talk about Petro-Canada and a number of other issues. I am not surprised if they do a flip-flop on this one. They are used to doing flip-flops. Perhaps they have now found a way to weasel and flip-flop out of this particular offshore issue as well.

Mr. Wilson: Why does the minister not take him aside and tell him what is right or wrong? Total distortion.

Mr. Simmons: Mr. Speaker, the hon. member for Etobicoke Centre (Mr. Wilson) will have an opportunity to tell us what he knows about distortion when the time comes. I have given him a couple of examples which he might want to elaborate on. I invite him to elaborate on the Jerusalem issue, Petro-Canada, the postal dispute and the Newfoundland offshore. These are just starters while he is preparing his notes. His party sits on both sides of the fence, depending on the day of the week, the convenience of the moment or the votes they are trying to garner. We all know their record on this particular issue. My advice to him is that if he keeps sufficiently silent about these issues they will go away, along with the embarrassment caused by them.

Mr. Siddon: Let us hear something positive.

Mr. Simmons: Mr. Speaker, I am listening but I do not hear much that is positive.

Mr. Siddon: You have the floor.

Mr. Simmons: I am glad to hear I do have the floor. Perhaps the hon. member opposite would honour that for a few moments and allow me to say a few words on this particular bill. If he does not want me to respond further to his colleagues, the hon. member for St. John's East and the hon. member for St. John's West, and if it is too embarrassing to look at the loopholes they have allowed themselves, I will throw away the rest of the notes I have with respect to their comments and I will come to the gist of the matter, which I hoped they would have spent more time on.

The hon. member for St. John's East talked about deleting the references to Sable Island and the offshore waters. Thus, by implication, he would leave out the coastal provinces altogether. He would leave out the north altogether. In the process he implies that somehow this would strengthen the case, both legally and politically, made by Newfoundland, Nova Scotia and other coastal provinces in respect to their adjacent coastal waters. In fact, the deletions which are being suggested by the hon. member for St. John's East would do nothing more than weaken Canada's claim to sovereignty over these waters to the 200-mile limit. If effected, his deletion would have the net effect of weakening Canada's claim to sovereignty while at the same time doing nothing whatsoever to address the problem he seeks to address.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I wish to rise in support of the motion which has been presented by my good friend and colleague, the hon. member for St. John's East (Mr. McGrath). I think it is a very fundamental and

important amendment and one which bears serious consideration.

The motion proposes to limit the application of this bill to the lands known as the Yukon Territory and the Northwest Territories, eliminating the other sections which are the offshore areas, for a couple of fundamental reasons. My colleague takes exception to the general principle and thrust of the bill. More important, there is a very fundamental jurisdictional question which is of the utmost importance and which should be considered in its most important paramountcy.

I do not want to respond or react to the flim-flam and rhetoric we heard from the previous speaker. I think you and I both know, Mr. Speaker, that he spent very little time talking about the bill or the amendment we are dealing with. One thing I would like to point out, and which hopefully will set the record straight, is that in terms of the Conservative government's position with respect to offshore resources there were four fundamental principles outlined in a letter from the then prime minister to the Premier of Newfoundland. The previous speaker would have been aware of this had he listened to the speech of the hon. member for St. John's East.

● (1720)

As I said, that letter outlined four fundamental principles. So far as Canada's ownership of the mineral resources of the continental margins is concerned, they should be within the care, control and ownership of the provinces. There were three other principles which were contingent upon that very fundamental one. There was absolutely no question that the province of Newfoundland should own the mineral resources of the continental margin, in so far as Canada should own them. That is very clear. Certainly there should not be any equivocation on that whatsoever. I am sure that the hon. member for Provencher (Mr. Epp) and our energy spokesman will have something to say about that as well. The parliamentary secretary did not bother to listen to the facts.

Mr. McGrath: He is gone. He has left the House.

Mr. Mazankowski: The fact of the matter is that the parliamentary secretary spoke and ran. Obviously he did not listen to the presentation by the sponsor of this very important and fundamental motion. I think it should be seriously considered and earnestly debated by all members of the House of Commons, and particularly by those who are directly affected by it.

One has to find it very strange that, at a time when there is a clear jurisdictional dispute, we have a piece of legislation before us which really sets out effectively to close the door through unilateral action. This point is mentioned in the National Energy Program booklet which was presented at the time of the budget, and reference is made to it. However,the reference is very light and fluffy. It is flippant and really tends to wash over the importance and the fundamental nature of the issue. At page 42, it is stated:

> There is some debate—

There is some debate!

> —as to whether offshore resources in these Canada lands fall under federal jurisdiction—

It is referring to the area off Canada's coasts.

> There is some debate as to whether offshore resources in these Canada lands fall under federal jurisdiction. Notwithstanding a ruling by the Supreme Court of Canada in 1967 that lands off the west coast are within federal jurisdiction, both Newfoundland and Nova Scotia have laid claim to jurisdiction of areas off the east coast.
>
> The Government of Canada believes that the offshore resources belong to all Canadians.

It goes on to say that it will provide a formula, as alluded to by my colleagues from Newfoundland, to:

> Provide 100 per cent of provincial-type resource revenues to the adjacent province, subject to arrangements whereby, when the province reached an agreed level of wealth, these revenues would be shared with other Canadians.

One cannot have half-ownership or quasi-ownership. One either has ownership or one does not. As my colleagues, the hon. members from both St. John's East and St. John's West have stated very categorically, Newfoundland believes very profoundly that the ownership of its resources is equivalent to the same ownership which applies to the provinces of Manitoba, Saskatchewan, Alberta, or any other province for that matter; but particularly to those provinces where, in 1930, the right to the ownership, control and management of those resources clearly became a matter for federal jurisdiction. There can be no equivocation about that.

The sponsor of this motion takes exception to the fact that this legislation will provide for the management, the rate of development and the control of a non-renewable resource which the province of Newfoundland believes is rightfully a resource which belongs to the province of Newfoundland. Of course, there is very definitely a concern as to the pace of the development of that resource, when and where and how it should be explored and developed. There is certainly an impact which will accrue with respect to the social, economic and environmental realities. The provinces believe that they have a rightful say in the way in which their resources will be developed.

Instead, as the federal government points out in the National Energy Program, it is determined to take into account the needs of the region and is determined to exercise its responsibility. I quote again at page 43, where the National Energy Program states:

> Unfortunately, the offshore resource issue was not resolved.

It admits right in the National Energy Program that the offshore resource issue has never been resolved; yet it proceeds with legislation to include that area which is under dispute. It is a very fundamental issue. Further, it says:

> However, in its management of these resources, the Government of Canada is determined to take into account the needs of the region.

Notwithstanding the fact that the offshore issue has not been resolved, and notwithstanding the fact that the province of Newfoundland does not concur, it intends to forge ahead in a unilateral way. It goes on to say:

It will use its regulatory powers to accelerate exploration in this area. Development must reflect the social and economic concerns and legitimate aspirations of the residents of coastal provinces. Furthermore, Canada's east coast fishery resources and the general environment must not be damaged in pursuit of energy objectives.

The acceleration of exploration in this area promises thousands of new jobs, supplying the services and goods needed to carry out the program. This represents one of the most exciting opportunities available to this region.

What is the goal of the provinces? What will be the role of the province in determining the economic, social and environmental goals and objectives, or the job opportunities? What role will the province of Newfoundland play? I am sure that the government of Newfoundland, whatever stripe it may be, speaks for the people of Newfoundland. Given the political realities of our country, it always seems quite normal and natural that the government which is closer to the scene is in the best position to determine the local economic, social and environment aspirations. Surely, that makes common sense.

However, here we have a bill and a policy directive which unilaterally imposes the federal government's thrust upon the development of a resource which could turn Newfoundland and other eastern provinces into have provinces, which could provide a dynamic way of life for their people, which could provide employment opportunities and improved technology, and above all would contribute to the goal of self-sufficiency. We on this side of the House still believe that goal is attainable.

It goes on to say on page 44:

Indeed, properly managed, the exploration activities could provide the basis for a major, sustained, economic upsurge. The Government of Canada will ensure that these opportunities are realized.

What guarantee do we have that this government will ensure that economic opportunities will be realized for the people of Newfoundland or the people from the north? It certainly does not have a very good track record. Look at what is happening to rail service today. We have a government hell-bent on dismantling the rail passenger service in this country after the Canadian Transport Commission studied, assessed and developed a route structure which this government has not even given a chance to be tested. We now have a situation where unilaterally, by cabinet edict, we are going to dismantle some 16 routes and cut back service on five others. That is to be interpreted as serving the best interests of Canada, without any local participation, without any avenue for appeal, without any formal way in which the people and the communities affected will have an opportunity to voice their objection? People are afraid of that. The people of Newfoundland and the people who have the potential to develop offshore energy resources are concerned that they will be left in the cold. Therefore, I have no hesitation in supporting the principle and the general thrust of my colleague's amendment.

The hon. member for Vancouver-Kingsway (Mr. Waddell) stated that we have not heard from the ordinary people of the north and the offshore, and I agree with him. The Minister of Energy, Mines and Resources (Mr. Lalonde) took exception to that comment. However, I believe it. What will happen is that through the centralized, organized and bureaucratic mechanism which will govern these activities from the ivory towers in Ottawa, the ordinary people will in fact be overlooked. The minister replied that provincial governments do not act in the best interests of the people they represent. That is the implication. The hon. member suggested only the federal government has the power and the compassion to speak and act on behalf of Canadians in general. I believe people of local governments have a better understanding and a better view of the aspirations and needs of a given community or region than any federal bureaucracy, or minister for that matter.

• (1730)

The Minister of Energy, Mines and Resources in his remarks chose not to deal with the amendment. He talked about many things contained in the bill. He suggested that the bill is a major step forward. I suggest, however, that many will see it as as major step backward, especially when you look at the potential of bureaucratic centralized control. The minister places a very high priority on developing the potential of Canada lands. I suggest that if he is placing this high priority on the development of resources in the Canada lands, he should reaffirm his government's position on what it intends to do to develop further conventional supplies in the western sedimentary basin. Is the government writing the western sedimentary basin off? It appears that it is, given the fiscal tax regime it has established, given the way in which the National Energy Program is being applied and interpreted and given the fact there seems to be much foot dragging in getting a realistic pricing agreement. Perhaps the government is writing off the synthetic projects. The government does not seem to be too concerned or alarmed that the $12 billion Cold Lake heavy oil plant project has been shelved indefinitely, or at least for two years. It is $12 billion today with inflation at 10 per cent to 12 per cent, and with inflation at 20 per cent to 25 percent two years from now the cost will be $15 billion. What about the jobs that have gone down the drain? What about the cost of providing expensive imported oil which has been estimated at approximately $5.8 billion because of the delay?

This minister must take the people of Canada into his confidence and tell them what the government intends to do with respect to the other potential developments, the conventional sources and the synthetic sources. It appears that we are on the threshold of another postponement with the Alsands plant. What will that do to our goal of energy self-sufficiency? What will it do toward bolstering our economy? Those two megaprojects need to proceed if we are to ever recover economically and gain any semblance of the goal of self-sufficiency.

The minister again today chose to attack Alberta in his abrasive and continuing arrogant fashion. It seems to me that it is time for this minister to settle down. He has won the war in terms of pitting central Canada against Alberta. Why does he not sit down now and try to negotiate an agreement? I am convinced that had it been anyone else sitting on the treasury benches who was called upon to work out an agreement with

the province of Alberta, by now we would have had an agreement. No one can continue to attack in that abrasive and arrogant fashion and expect to get a deal. That is the problem. I must say we are getting rather disgusted by this minister's actions and by his attitude.

We know that the minister of energy did not want to get a deal. The minister visited Edmonton twice in the spring of 1980. He spent about 100 minutes attempting to seek a deal. In reality he was barely crawling through the hoops. He has failed to take advantage of a fundamental political opportunity. I would say that he has created a political error of historic dimension. I would accuse him of an action which could only be classifed as premeditated abdication of his duty.

In order to be an effective energy minister, one must have not only the knowledge and the political skill, but the trust and confidence. And above all, he must be seen as fair and reasonable. Unless this minister is prepared to change his ways and demonstrate some of these attributes, I suggest we will be a long time in getting an energy agreement.

Further, the minister of energy should stop misleading the people of Canada. He should stop accusing Alberta of being a filthy rich and selfish province. I think the evidence now clearly reveals that based upon a gallon of gasoline sold in the province of Ontario, the province of Ontario is receiving more in terms of revenue than is the province of Alberta. To be exact, out of a charge of $1.66 a gallon, the government of Ontario receives 25 cents or 15 per cent of the total proceeds, whereas the government of Alberta in its royalties receives 22.7 cents or 14 per cent of the total. The federal government receives 56 cents, which is about 34 per cent of the total, with the balance going to the producer, the refiner and the dealer.

I suggest it is time for the minister of energy to level with the people and lay out the facts so that everyone can understand who is the bad guy in the negotiations. If he can change his attitude, level with the Canadian people and try to establish an environment and a climate of trust and confidence, we can move ahead. We must move ahead in order to achieve our economic—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Provencher (Mr. Epp).

Hon. Jake Epp (Provencher): Mr. Speaker, in rising to speak to this motion, I must say that my colleague, the hon. member for St. John's East (Mr. Crosbie) has put before the House in a very succinct manner two views as to how we believe Canada should develop its resources.

The government in its bill sees the development of Canada generally through the eyes of a centralized bureaucracy only. While I say that is not totally invalid because we need that component, it is not the only component making up Canada. The other component consists of our regions. I will come to that, but first I want to thank the hon. member for St. John's East in putting forward the two views of Canada so clearly.

W. A. Wilson, a member of the press gallery, a journalist respected by members on both sides of the House, makes the point in an article that traditionally the view of Canada was focused on the larger metropolitan areas. That is how the view of Canada evolved and it was the determining factor. While that view is still valid, it is not the only valid view for Canadians. The view seen from a small Saskatchewan town, from a coastal community in British Columbia or from Newfoundland is as valid for the development of Canada as is the view held in the traditional centres of opinion in this country. That is central to what we are discussing here. When we discuss Ottawa, that word is not used to deprecate the city or the central government. Rather, it is an expression of the view that whatever comes from the treasury benches here is more valid than the view from any other part of the country. I cannot accept that. I want to say why.

• (1740)

The federal government says that regardless of the fact that the matter is before the courts, it is going to use its majority to pass unilaterally a definition of Canada lands. That definition of Canada lands is such that everything which is not clearly defined by provincial boundaries is automatically Canada lands. That is the general thrust of Bill C-48. Those people who are affected by activity outside provincial boundaries such as citizens living in Newfoundland will obviously be affected by offshore activity such as fishing, drilling for gas and oil or whatever. The person living north of the 60th parallel in the Territories will also be affected. Those affected by these boundaries will be subject first to the view of this government and the definition in this bill.

The hon. member for St. John's East (Mr. McGrath) is trying to change the definition in the bill. What is fundamental in what the amendment does is that it says that what is effective on land in terms of resource ownership and management, should be operative offshore.

I found it rather interesting that the minister brought forward his strongest argument against this motion for the following reason. I cannot quote him word for word, but I hope I am paraphrasing him accurately, or at least repeating correctly the sense of what he was trying to project. He said he could not accept this motion because the premiers could then do offshore what they are doing on land.

What are they doing on land? They are drilling for oil, for natural gas, building tar sands plants and trying to create the Cold Lake project. That is what they are doing on land.

Mr. Simmons: They are stopping the Cold Lake project.

Mr. Epp: Yes, and you know why. This government is only willing to give them $18.75 a barrel, and yet it will give Mexico $40. What the premiers are doing on land is moving Canadians toward energy self-sufficiency, not only with regard to fossil fuels but in developing hydroelectric power.

The premier of my province has been working with other premiers in western Canada to develop a hydroelectric energy grid which would tie in not only with other parts of Western Canada but with other projects as well. Megaprojects, hydroelectric projects, oil and gas projects require co-operation. The

first responsibility of this minister is to develop a co-operative plan. To date he has been an abject failure in that regard.

I want development in the offshore the very same as is happening on land, that we drill for oil and gas, develop hydroelectric projects and so on. That is what I want to see happen. However, this bill will bring about the opposite. Just as we have seen the postponement of projects or the fact that projects are more difficult to bring on stream, I fear the same will happen offshore.

Some members might be surprised that one who lives in the longitudinal centre of Canada should speak on this bill dealing with an offshore project. The reasons are the following. Some provinces at the moment are defined as have-nots. I find that definition difficult to understand because they might have cultural or social advantages which other regions do not have. However, speaking in economic terms, I want those provinces to have an economic activity which will have growth and which will be based on their natural advantages. That is what I want to see happen.

If the earned income of the average citizen in Newfoundland rises, that not only benefits the citizens of that region, it benefits the entire country.

There is a philosophy which is becoming part of the Canadian psyche. It is believed that if people in a certain region have a better income, somehow the country does not benefit; however, when an Albertan progresses, Canada benefits or when a Newfoundlander progresses, Canada benefits. What is this philosophy that makes us fear growth in a given region?

When income is earned, we spend that income. We do not spend it narrowly in the region in which it is earned. That income is spent across the country. The country benefits through growth. I cannot understand a government which believes we have to restrict growth because one area might get ahead of another and that is not good for Canada. I need not say any more about that because it is so obvious.

There is another point I want to make regarding this motion. When the three prairie provinces entered confederation, they were regarded as not being competent to control their own resources. In fact, the province of Manitoba has been longer in confederation without owning is its resources than it has been in confederation while owning them. It is a have not province.

The provinces of Alberta and Saskatchewan entered in 1905 and received their resources in 1930. I do not want to be negative toward the Liberal members. A lot of them are my friends and I know they hold their views as sincerely as I do. However, I had a discussion with a former member of this House, a predecessor of mine in the Department of Indian Affairs and Northern Development. We were discussing northern Canada. He said to me that the government made a mistake when it gave the prairies their resources in 1930 because now they are holding the rest of the country up for ransom. He said the government will not allow it to happen again in the north.

That philosophy is detrimental to this country. The prairie regions finally acquired ownership of their resources in 1930 when an amendment was made to the British North America Act. That is significant. If you look at Canadian history, there is a view that the prairie region was helped by other parts of the country during the depression. That is a historical fact. However, why did the prairie regions need that help? Might it be the case that if they had their own resources and made some money from those resources, they might have been in a different situation in the thirties? History does not record that. If history does not record that, how can it record that Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island or British Columbia in the west could not have the growth which would, first of all, take their provincial averages up to a higher level and then benefit the whole country? One of the reasons that the prairies had difficulty during the depression, I submit to you, was that they did not have control of their resources. The same situation exists on the offshore today. It is a parallel. Why should the Atlantic provinces not have that control?

● (1750)

I found it interesting to read in the documents on federal-provincial relations that the province which has been most definitive and vocal over the years in terms of defending provincial rights has been the province of Ontario. The reason Ontario, its premiers and its government have been so vocal is that they knew that as mineral resources were developed in that province, if ownership and control were removed, in spite of its industrial base it would be in trouble.

What the hon. member for St. John's East is asking for is ownership and control. He mentioned the socioeconomic reasons. It is interesting that the very thinking the hon. member for St. John's East put before the House today dominated the federal government when it passed the Northern Pipeline Agency Act. Before that pipeline could be built, the government put in socioeconomic conditions. I remember during the time of our government when I had the responsibility, and when I talked to the present minister, I knew these things had to be put in place before we could start building the pipeline. What is different in that situation from the one that is now being proposed?

There is another concern I have, one which was mentioned by the hon. member for St. John's East. Magnanimously, he has not confined his amendment to Newfoundland, the maritime region or British Columbia. He has drafted his amendment in such a way that other regions which have not even come into consideration would also be included. Let me give you just one example. Manitoba and Ontario border on Hudson Bay. The so-called inland ocean exists there, but who owns the offshore resources there? Is Manitoba to have no claim to the mineral wealth that might lie under the waters of Hudson Bay? These are the questions that are before the courts. These are the questions on development that should be answered. I cannot accept a unilateral bill such as the one before me which says that for all times this has now been

decided by Parliament, because I see that as being negative to the country.

Let us consider the attitude of the people in the north. I worry about northern development, particularly with the attitude this government has. If everything north of the 60th parallel will be defined as Canada lands, I have had enough experience and have talked to enough people to know that the people of the Yukon and the residents of the Northwest Territories see themselves first as Canadians, and what they want is to see development in those regions so as to stop depending on the federal money which pours into that area. Just look at the budgets. They want to stand on their own feet because they have earned that income and thus are contributing to Canada. I have not met people north of 60 who say: Just give us those mineral resources and we will show you what we will do to you in the south. That is just not their attitude. Their attitude is that those who live in the north should have the first benefits from those resources. Surely that is the fair and equitable manner in which to proceed.

I wanted to spend most of my time putting forward my views of Canada. However, the parliamentary secretary who spoke made one point to which I should like to respond. I do not want to spend all my time rebutting that which has been said on the other side.

That hon. member said that the former Prime Minister, the right hon. member for Yellowhead (Mr. Clark), had his bluff called in February 1980 in that he had not been willing to put in the form of an agreement a promise he had made in a letter regarding the offshore ownership by the provinces. I want to say to that member as sincerely as I can, and I am sure he will accept that, the reason was not that the Prime Minister or this party reneged on its view of the offshore, but rather that we had been defeated in this House and there was an election campaign in process. The then Prime Minister stated very clearly that he did not believe it was his parliamentary right to commit a future government to the position in which this government finds itself without receiving a mandate from the people of Canada.

I think that is the manner in which parliamentary democracy functions, and I suggest to the parliamentary secretary that those were the facts of that question. The former Prime Minister had committed his government but he obviously needed a mandate to put it into agreement form.

What I am saying to hon. members on the opposite side is that I believe this amendment is in the interests of Canada. I suggest that because the matter is before the courts we should not proceed along the lines the government has suggested, but rather along the lines of the amendment the member for St. John's East has proposed to this House.

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock, the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order please. When the House took recess at six o'clock, the Chair had recognized the hon. member for Manicouagan.

Mr. Maltais: Mr. Speaker, I am almost embarrassed to speak before such a large audience. I think there are people here from all over the country who have come to hear us. I am all the more happy to take part in this debate on Bill C-48 as for the people of my generation, for the younger generation of Canadians, this is indeed an extremely important measure which seeks to place Canada lands under the control of the government of Canada for purposes of exploring and developing the oil and gas deposits found in those lands which are, of course, owned by the government of Canada.

I listened this afternoon to the remarks of some colleagues who were in fact saying that the major problem was directly related to the area of the coast of Newfoundland or British Columbia, because these offshore resources belong to the provinces or fall under provincial jurisdiction.

Mr. Speaker, I would like to deal tonight not so much with the letter but with the spirit of this legislation. As I listened this afternoon to all those who spoke against the bill, with all kinds of variations, of course, I realized that it was mainly because of legal issues and technicalities that they were opposed to it, because they pitted provincial jurisdiction against federal jurisdiction. Now, Mr. Speaker, to really understand Bill C-48 which is before us, we must go back to our Constitution and see how things have evolved since 1867. At the time the Fathers of Confederation drafted the British North America Act, the term natural resources applied to resources found in all four provinces then making up the Canadian Confederation, namely lumber, fisheries and fur. That is what was meant by resources at the time.

At the time, all provinces enjoyed justice and equality. However, the situation gets a little more complicated in the twentieth century when one resource is required by all the people of the country. When can a province claim rights over a natural resource and set its price, and when should the federal government do so? That relates to the spirit of the law more than to the letter of the law, as I was saying before. Our country was founded on a concept of sharing. In this regard, I believe that in the east as well as in the west there has been a time since Confederation where some region or another has had to pay for the rest of the country. There was the case of

western grain during the depression, when grain prices were much higher than everywhere else in the world and subsidies were set up to help western farmers. Prices were even higher in Canada than anywhere else to help farmers to sell their grain. Later on, it was oil and the Borden line because of which people in Ontario had to pay more for their oil than other Canadians.

● (2010)

There has always been a time in Canada when someone paid a bit more for a shared resource. For young Canadians, there is nothing worse than to hear representatives of each party or group of citizens throughout the country try to emphasize the egoistic aspects of such an issue, because when a province has an important resource and expects benefits from it, it wants to keep it for itself. This is what is happening in Newfoundland now. The same thing happened when Quebec wanted to claim Labrador because as we now know, there are important resources in Labrador. However, what young Canadians want to see in this country is a sense of sharing rather than not a war among leaders. Yet, what is now happening in Canada is indeed a war among leaders, a war among premiers.

We saw this again recently at the First Ministers' Conference and when the Prime Minister of Canada (Mr. Trudeau) took part in the latest Federal-Provincial Conference in September: The provinces still wanted a bigger share of the pie, but without sharing their own resources with Canada as a whole. This is where we have a problem in Canada, because we do not consider the population as a whole, but rather each of the provinces. As for us, as the government of Canada, we were not elected to represent a region. We were not elected to see to the next election, but to see to the welfare of the nation and of future generations. In this regard, what does Bill C-48 do? It gives the Canadian government, our government and our Parliament, certain powers over Canada lands to manage more effectively and more rationally the resources of the country, the heritage of 100 years and the guarantee for the Canadian people of a secure future.

When we read—and this is important—the exact provisions contained in Bill C-48, we are surprised that the other side would oppose it because, far from stripping the country, of its resources, the purpose of the bill is as follows:

To regulate oil and gas interests in Canada lands and to amend the Oil and Gas production and Conservation Act.

Do we agree or not that we are living in a country where wealth must be redistributed, even though we might have to find the proper mechanism to do so? Basically, this is somewhat of a paradox, but Canada is perhaps one of the rare countries where two problems can be well identified. We have great wealth in this country and a resource sharing problem. We do not know how to share, how to be fair. All we know is how to grab this wealth, how to keep it for ourselves without allowing the Canadian government to share it among all Canadian men and women.

That should be elementary for anyone, man or woman, sitting here in this Parliament and we should be able to reach a consensus easily. As for me and the generation I represent, what disillusions us increasingly is the sight of artificial conflicts, conflicts based strictly on absolute power or the power to grow richer at the expense of other Canadians. I say that without political prejudice because in Quebec we had a referendum that was undeniably an extremely painful experience since we criticized each other in search of reasons, which often turned out to be excuses to score a point, but always at the expense of the whole community.

I heard the hon. member for St. John West (Mr. Crosbie) say this afternoon that Newfoundland needs its offshore resources to do away with the equalization payments and because it wants to grow richer. That is what Canada wants for each one of its parts, allow it to grow richer, but not at the expense of the Canadian people as a whole. I have a strange feeling that there are 12 countries in Canada, two territories and ten provinces and if anything is left over, then it can be given to the federal government.

When we have transportation problems, and I see the Minister of Transport (Mr. Pepin) is here in the House, everyone turns to him, beginning with me, asking him for very costly things about which it is sometimes very difficult to tell whether they are needs or whims; no one ever hesitates to turn to the federal government to ask for more. But when the time comes to put something in the central pot, one's share of the pie, everyone objects; and it is stranger still to see the Newfoundland premier go to the federal government asking it to request of Quebec that it allow an energy corridor through its territory, while at the same time asking the federal government not to touch the offshore resources under the pretext that they belong to his province. In other words, they use double standards. As I understand it, the Progressive Conservative Party, when they were the government, were in the position to realize that over a nine-month period. They had difficulty getting into an agreement, they could not even agree with Alberta on a pricing formula at the time. They could not agree either with Newfoundland on a program that would have been acceptable to both parties. But now they would have us give everything to each province under the pretext that this would facilitate an agreement. This is out of the question, it is a matter of attitude. As far as I am concerned, I am first and foremost proud to be a Canadian, and I recognize that Quebec and the other provinces should contribute to the central treasury, the central budget, the Canadian treasury to allow for redistribution. I cannot agree that a province or a region be allowed to monopolize the whole amount, claiming it as its own.

I think Bill C-48 is clear on that. Let us put aside the legal question of who owns the 200 miles of coast, let us now factually examine what the Minister of Energy, Mines and

Resources (Mr. Lalonde) is proposing. He is simply proposing that from now on, we may Canadianize to a greater degree and even reach energy self-sufficiency with what we already have. To that end, through a most detailed and specific legislation, he is proposing that Parliament take a direct involvement in Canada lands. It is my basic impression that such a proposal deserves united, enthusiastic acceptance from Canadians, because what this is all about is truly a heritage, and the development of that heritage to the benefit of all. And what I mean by that is that this is just as beneficial for French, English and native Canadians, because the term "Canada lands" includes, of course, the Territories and the Amerindian lands. And the pooling concept means in the first place that those groups agreed to be part of the Canadian whole and that provinces also agree to take part in that pooling.

In the course of our discussions here or in committee, we often forget that reality, and in our own provinces or areas we say we have been short-changed, we do not get our share. Provinces like Alberta that were comparatively poor at first, now are in a favourable position and get ahead of the other regions. The same goes for Newfoundland. When Newfoundland accepted to join Confederation, after two referendums, other Canadians paid its way in. So much the better if Newfoundland can now strengthen its economy, but it should not be forgotten that Newfoundland is part of the Canadian whole just as any other province. It becomes very tiresome for young Canadians to note that our proceedings are strictly based on the past. When I mentioned the natural resources of 1867, I explained a while ago that they merely consisted in the navigable waters, furs, timber and fisheries, and now that we are speaking of an essential product called oil, it has become an instrument of blackmail.

Now Bill C-48 provides, of course, that the distribution of resources be planned and requires also that the provinces should not resort to blackmail with respect to any of those resources. I hope that the members opposite will give us later an answer on that point. Is it possible to build Canada while giving more energetic power to the provinces without taking all Canadians into account? What would you say of a country such as Canada where a province would become filthy rich at the expense of the other citizens of the country. It is not normal, and such is not the purpose of a government, but rather to redistribute wealth, to give freedom and to promote the movement of goods.

If there is no agreement on that principle, then I understand that hon. members opposite might not share the philosophy of this government. And in this respect I think that the party to which I belong has made its position extremely clear in the last election because that was precisely one of the issues, namely to achieve a greater Canadianization and sharing of our natural resources. We could have entered into legal technicalities and undertake a point by point study of what is proposed in Bill C-48, but what would be the use of it if at first there is no will to live together and to share the profits as well as the deficits, the joys as well as the hardships of belonging to the same country?

When travelling around the country, we see people look so sullen. Do you know why? It is often due to the fact that our leaders by artificial means are fostering conflicts within the people. Once a conflict opposes two provinces, the federal government is being asked to take sides in the decisions to be made as is the case of the energy corridor requested by the province of Newfoundland that would go through Quebec. I could mention many such examples where the federal government was asked to be the referee when various parties are engaged in a litigation. I suggest we often forget that we have been sent here to promote greater unity among the Canadian people and although I do not expect you to fully agree on what a government can do but in this case it is quite obvious that it is a matter of sharing a resource and the benefits derived from it. This to me seems quite clear and I cannot understand why members of Parliament should be reluctant to pass such a bill. It is clearly spelled out in the bill that we are dealing with Canada lands. The purpose of this bill is not to deprive the Canadian people of their revenue but on the contrary to increase it. This is the philosophy underlying this bill, and that is what hon. members opposite have a tendency to forget.

I would like it very much if the opposition could reply to that in a few minutes. What is the argument in favour of the fact that such an important energy resource ought to be given to one province or another without Canadians as a whole being able to benefit from it? I would like to have evidence that a country can be built on economic disparity, on unfair distribution of wealth. I hope someone will give us that evidence in a few minutes. And when we go here and there, if we read the newspapers about what is happening in England, what is going on almost everywhere in the world? The problem stems from a shortage of wealth, a lack of sharing, and here we have the impression—I would even say that sometimes I have the conviction—that what we are trying to do is to widen the gap with respect to sharing and redistribution. As we are debating this bill, instead of looking strictly at the financial aspect of the operation as far as one province is concerned, we should put more emphasis on the spirit which ought to unite all Canadian men and women and try to find a formula or a prescription whereby Canadians might take pride in their own energy resources.

I think that even the former prime minister of Canada, the Hon. Joe Clark, would agree that Canada is one of the few countries that can claim to have enough resources to be completely self-sufficient in energy within 10 years. The big challenges for us to take up are to be able to control our own potential, to develop it, to make it much more economic and to use it as an extraordinary leverage. All Canadians and particularly parliamentarians should bear in mind that we govern one country and not 12 countries. I think we have a very important

step to make to change our mentality and our morality in government. It is overdue, and for two years, since I came here, I have had the impression that we talk about 12 countries. I wish we could speak of one country, of equal citizens. When the time comes for Canadian men and women to apply for a passport, they are glad to receive one with the name Canada on it. I think we should also be proud to have the same energy prices across the country and the same right to share our Canadian heritage. Mr. Speaker, I ask members of the opposition to answer the few questions I asked them, bearing in mind that we are one country and that we are Canadian men and women who are proud to be Canadians and to share our own wealth.

● (2020)

[*English*]

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I listened with a great deal of interests to the remarks of the preceding speaker. I will not try to answer point by point some of the rhetorical and some of the substantive questions he asked. We must keep one thing clear. We do not have a nation or a country by preaching from the rooftops on the beauty from sea to sea. We do not have a nation or a country by hon. members standing in the House and saying "Let us all be homogeneous, let us forget history and start anew". I agree with the hon. member that Bill C-48 and its complementary bill, Bill C-57, which has already been disposed of in the House, is the two-pronged attack of the National Energy Program or the nationalized energy policy of the government, depending on what one wants to call it. This is the government's policy. There is no doubt that it is looking to the future.

It is ironic on July 13, in the doldrums of summer one day before Bastille Day that we are debating this bill. I have not heard the French try to change the name of Bastille Day because to do so would smack of something anti-historic for France. They are proud of some of their history. I can understand the argument about whether it should be Canada day or Dominion Day.

The hon. member spoke sincerely from his perspective, but one of the problems in the country is that members of Parliament and people of good faith, who keep talking about the quality and history of Canada and who want all the problems solved overnight by one act, forget the history of the land. There is nothing different personally between the hon. member and myself. There is a fundamental difference in our recognition of the history of this land.

I will not go into all the intricacies and complexities of Bill C-48. Once any speaker gets into the bill, it could take hours. Hon. members have debated this bill in committee. Obviously they have done much more detailed work than I because I was not a member of the committee. The speech of the hon. member for Manicouagan (Mr. Maltais) fits very well with what I wanted to say. I am not talking about the generality or the principle of this bill. I am not talking about sharing or redistributing the oil revenues, about oil companies making too much money, about Alberta being too greedy, about the Quebec government taking Newfoundland to the cleaners on the James Bay contract, or about Joey Smallwood selling out part of the birthright of Newfoundlanders many years ago. Now Newfoundland wants to try to come in by the back door because it has lost by coming through the front door for 20-odd years. I will not deal with those matters.

We are talking about an amendment which was put forth by the hon. member for St. John's East (Mr. McGrath). I hope the hon. member will read the bill. I think what I have to say will answer his question, from my point of view, because there are many other principles involved in the debate. When we reach clause 1 of a bill, as we did with this bill when we dealt with it for a brief time at second reading stage before closure was invoked and the bill went to committee, that is when a member can talk about the principles of a bill. That is when he can talk about the cross currents. I thought we were talking about an amendment to the bill put forward by the hon. member for St. John's East. What he wants to do through his amendment is to recognize the history of this land and recognize what this land has been until Bill C-48 was put before us. The greatest mythology in this debate occurs when we talk about Canada lands.

● (2030)

I listened to the hon. member opposite and he was partly right. I hope he appreciates why we in the east, in Atlantic Canada, feel rather aggrieved and threatened by this bill. It is because until now we have not been part of Canada lands. Look at the bill and the interpretation of Canada lands therein. Clause 2 of the interpretation section of the bill reads:

"Canada lands" means lands that belong to Her Majesty—

That is ownership.

—in right of Canada, or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources, situated in

(a) the Yukon Territory or the Northwest Territories,—

I ask you, Mr. Speaker, who owns that now? Canada owns those lands now—the people of Canada. At present there is a contest, a debate, an argument if you will, in which they say they want in effect statehood or provincial status, or autonomy. But I will not get into that subject tonight. Let us not have any more of these red herrings, these oil slicks dragged across this debate about Canada lands.

Most parts of this bill affect ownership, distribution and administration. The federal government now has certain rights. There is an argument on our side as to what the federal government intends to do even with lands it owns, such as the Yukon Territory and Northwest Territories. This debate began after Madam Speaker made a ruling this afternoon in which she suspended the debate on motions Nos. 1 and 2 and ruled that we move on to motion No. 3 put forward by the hon. member for St. John's East. His motion would strike out the second part of the meaning of Canada lands. He suggests this be done in a very fundamental way. In effect, he wants it admitted that Canada lands means the Yukon Territory and the Northwest Territories and not, as stated in the bill:

2(1)(b) those submarine areas adjacent to the coast of Canada and extending throughout the natural prolongation of the land territory of Canada to the outer edge of the continental margin or to a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea of Canada is measured, whichever is the greater;

In simple language this amendment says that the Government of Canada, without consent, without any joint federal provincial arrangement, owns the submarine lands adjacent to the coastlines of the Atlantic provinces. That is why we in that area have been, historically, on the receiving end looking for some economic strength and growth.

We finally started to see a glimmer on the horizon when we saw oil rigs offshore. I will not get into the question of who shares what, whether it should be 60-40, 50-50 or the back-in provision of 25 per cent. In my opinion those are iniquitous under the act. I know the formula has been changed. This is a principle which almost every Atlantic Canadian firmly objects to. We object most strenuously to it. Using the rhetoric, which is what we can use—in other jurisdictions they would use bullets—we will object until the cows come home, until we are forced to vote on this bill to unilaterally give away what we had historically even before Confederation. That is the point which makes us aggrieved, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nowlan: These are not my words. Unfortunately, in the 20 minutes I have I do not have the time to go through the entire history. But in view of the sincere comments made by the hon. member opposite, it would not hurt to repeat some of that history. Part of the problem in Canada is that we do not have instant pudding history. The situation becomes worse when you begin to pollute the pudding that you do have. The situation worsens when history is ignored. I am talking about the British North America Act, the charter of James I or William Alexander's charter which set out the definition of Nova Scotia. I am talking about Nova Scotia; the hon. member for St. John's East talked about Newfoundland. Nevertheless, the general principle applies in terms of maritime offshore resources.

I would like to speak specifically in terms of Nova Scotia. Hon. members opposite can ask rhetorical questions. The bill we are debating says that for the first time the federal government will own these Canada lands which are set out in the interpretation section of the bill. This raises a philosophical question with regard to the words "in right of Canada". We are all Canadians, let us share and share alike. The federal government has tax policies to help the sharing. I ask the hon. member opposite, who must appreciate this fact: why should we in Atlantic Canada, and in Nova Scotia, be the only provinces which do not own their natural resources in adjacent areas of the sea? Does he not appreciate the history of this land? Let us take James Bay for an example. When this country was formed in 1867, Canada lands of the day included one half or one third of Quebec. I do not plan to just pick on Quebec. I will talk about the tar sands development and the mineral wealth of northern Ontario. These, too, were parts of the country which formed Canada lands of the day. The term Canada lands seems to be something new from the heavens, an open sesame to the new world and a new distribution service wherein everyone will be treated equally. We will share the bubbles from gas and the slickness of oil. We will share. I want to share, but that is not the topic of debate this evening.

As far as I am concerned, when we are speaking about motion No. 3, why should we in Nova Scotia sit quietly back and allow the federal government to come in and say, "The history of Nova Scotia since 1621 is wrong. We own it. You must come to us on bended knee and find out how we will administer it?" Why should we in Nova Scotia who, prior to confederation, had control of our offshore mineral resources, allow the government to come in and take Sable Island where a great deal of the action is today in terms of oil and gas, especially gas? As my hon. friend said this afternoon, a provincial government fell on the issue of ownership in 1978. The present Minister of Labour (Mr. Regan) tried to defend the federal position of a 75-25 share to administer the wealth and to try and reach a practical sharing formula. As we all know, the trouble with that principle is that he who owns the resources calls the tune. There is no doubt that if you own a resource, you can direct its development. We do not feel that confident when there are competing interests in a country such as Canada with a federal government away in Ottawa which perhaps gives priority to the development of a resource which we thought we had owned since 1621. I say to the hon. member opposite, partly in answer to his question, that he would be just as aggrieved if the situation were reversed historically.

I am all for the Canada lands which were created in 1867. At that time they became trump cards. There was James Bay, which I am all for. It is one of the great creations of our engineering skills in Canada. As we all know, Hydro Quebec is a fantastic colossus which has economic clout in terms of the dollars which it produces for Canada and Quebec. The mineral wealth being ceded to Ontario and the development of the tar sands in Alberta were not part of the original confederation agreement. That is when Canada gave Canada lands to those parts of the country, and since then they have become very valuable.

Let us not kid ourselves about this bill in terms of distribution. This bill does not affect those ex-Canada lands. It affects and directs the development of the present Canada lands, the Yukon Territory and the Northwest Territories, and then it adds to Canada lands parts of Canada which were not defined in the term before.

● (2040)

That is the whole point. Your Honour and I could go back to section 109 of the BNA Act which makes it very clear as to who has jurisdiction of the mineral resources and the seabed of Nova Scotia. I am not going to confuse everyone by reading a lot of historic definitions; but, in effect, the definition of section 109, as most hon. members are aware, is:

All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the Union—

Of course, Nova Scotia, New Brunswick, and Upper and Lower Canada were the four original partners. We all know that. The section continues to read:

—and all sums then due or payable for such lands, mines, minerals or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia and New Brunswick in which the same are situate or arise, subject to any trusts existing in respect thereof and to any interest other than that of the province in the same.

Section 7 of the British North America Act states:

The provinces of Nova Scotia and New Brunswick shall have the same limits as at the passing of this act.

In terms of Nova Scotia, what were the limits at the passing of the act in 1867? Where does one get that? One has to go way back to the original charter given by King James the First to Sir William Alexander, dated September 10, 1621. I have a single-spaced typewritten copy of part of the definition, which I will not bore the House with reading, though it is very interesting and has a lot of old history in description; but I am going to read a part of the definition to show Your Honour that the reason we feel aggrieved, threatened and a little angry is that in current times we define the boundaries of Nova Scotia and talk about the promontory of Cape Breton in this manner. The definition says, amongst other things:

—all the lands upon the continent with the rivers, torrents, bays, shores, islands or seas lying near to, or within six leagues (approximately 21 miles) from any part thereof, on the western, northern or eastern parts of the said coasts . . .

—and to the southward thereof where Cape Sable lies, all the seas and islands to the south within forty leagues (approximately 140 miles) of the said shores, including the great island commonly called the Isle of Sable on Sablon, lying south-south-east in the ocean about thirty leagues (approximately 105 miles) from Cape Breton aforesaid—

Then listen to these interesting words. The people back in 1621 must have been genuises to know that we would be so immature as to get involved in a dogfight like this, because it was written in very interesting English. Actually, it was Latin. They did not write English or French in those days. They were a little retarded. They wrote Latin, and this is the translation. This is why, of course, I have a private bill respecting the name of Nova Scotia, because I believe the proper name is Nova Scotia, or New Scotland. However, we will not get into that for the moment; not yet. Listen to what it says at the end of the definition. It reads as follows:

—and if any questions, or doubts shall hereafter arise upon the interpretation or construction of any clause in the present letters patent contained, they shall all be taken and interpreted in the most extensive sense, and in favour of the said Sir William Alexander, his heirs and assigns aforesaid.

Of course, Sir William Alexander was the fellow who got the whole chunk of Nova Scotia, and that was the start of it. I already read the section of the BNA Act which gave a smaller definition and, in effect, said there was no change. However, it goes on much further than that. As we all know, there have been a few wars in Atlantic Canada, in New York, and also in North America. In every war and in every treaty since the treaty of New Trent and the Treaty of Paris, Nova Scotia has been defined to include the lands and seas, and depending on what definition one adopts, it is either 40 leagues off sea—it always includes Sable Island—or 30 leagues for those who are not nautical. I am not the most nautical person, but 30 leagues is 105 miles. That gets one pretty far into the adjacent lands offshore. The French, under the Treaty of New Trent in 1713, acknowledged that. It has always been acknowledged.

In terms of Nova Scotia, and there is another claim. One can talk about statute law. No one objected for 115 years that Nova Scotia was passing statute law to control Sable Island or to make sure the fishermen did not throw, in the words of one law, "awful" or "offal" into the sea.

Some hon. Members: Awful!

Some hon. Members: Offal!

Mr. Nowlan: That was one of the first pollution bills, way back in 1770. Fishermen were allowed to throw awful offal into the sea, and no one objected to that. Under the statute law of Nova Scotia in 1700, revenue officers of Nova Scotia could go on to Sable Island and haul in those people who did not pay taxes. There are all sorts of laws which apply to the sea, and also, in particular, to Nova Scotia.

There have also been many royal commissions on boundaries. Every commission in Nova Scotia starting in 1846, as well as the governors of the day who redefined parts of the boundaries, has cited not only Sable Island, but 21 miles or 140 miles contiguous to the shore line, once one sorts out the phraseology of the legal description. The interesting thing is that in the description of 21 miles and 40 leagues, or 140 miles, the 140 miles is very relevant, because that is the distance to Sable Island. Sable Island is within 40 leagues of Nova Scotia's coast.

The most interesting thing in this whole problem of section 3 and the amendment of my friend is to come right down to something which is most relevant and which has not been answered. For over 100 years we in Nova Scotia have been giving leases for mining coal in offshore areas which extend much farther than six miles. The interesting little twist to this is that the federal government itself passed a statute, when Your Honour and I were hon. members in this House, creating Devco. Who was it that assigned the mine leases to the government of Canada in the name of Devco? Was it the Government of Canada, in the name of Canada, which assigned the mineral leases to Devco, a creature of this federal House?

I see the very stimulating and distinguished Minister of State for Mines (Mrs. Erola) here tonight. She is from Sudbury where mining is most relevant. She knows my brother who works in mining part of that area. Perhaps she could answer my question.

It was not the federal government that ceded leases to Devco. It was the province of Nova Scotia, which had legally assigned the leases years earlier, which ceded those leases to the Devco Corporation.

Mrs. Erola: Why?

Mr. Nowlan: Why would they, under the purport of section 3, if they owned the area, cede and give to themselves that

which they already owned? Here is a beautiful example of the left hand not knowing what the right hand does.

However, let us come down to the part that I mentioned when I started my remarks. All other provinces of Canada have ownership of their resources without any equivocation. I am talking about the ownership of the resources; I am not talking about what the federal government owns in the Northwest Territories or the Yukon.

I have already said that section 7 of the BNA Act gives Nova Scotia and New Brunswick the same rights they had at the time of confederation. As I have already said, other provinces have had fundamental ownership since confederation. North Ontario is an example. The mining area of Sudbury has been added to Ontario. It has helped Ontario, and it has helped Canada. I have already mentioned James Bay, Alberta and Saskatchewan. However, the tar sands are in Alberta. My friend talked earlier about the bill here before the House in terms of the hydro line and obtaining rights to convey hydro across the territory of Quebec in the same manner as gas and oil were conveyed across other provinces. The premier of Quebec has said that this right of way is a violation of the sovereignty of Quebec. I am not going to debate it. I know that my friends in Newfoundland and the premier of Newfoundland feel very strongly about this bill. However, imagine the sense of violation that the premier of Quebec would feel, and, certainly what the premier of Alberta would feel, even more so, if, unilaterally, the federal government, which initially gave them the lands which are now James Bay and the lands which are now the tar sands, were to say, "Well, that was not really in the public interest. We want to revoke that unilaterally"? That would just show Your Honour—

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired.

Some hon. Members: More, more!

Mr. Nowlan: I just want to conclude with one sentence. It is rather ironic to me—I am going to be very unprovocative tonight—it is really an amazing thing to me—

Mr. Deputy Speaker: With all due respect, the hon. member has already exceeded his time by two minutes.

Some hon. Members: More, more!

Mr. Deputy Speaker: We need the unanimous consent of the House to proceed. There is not unanimous consent of the House.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, at an earlier stage of this debate, the hon. member for Burin-St. George's (Mr. Simmons) made a few remarks. I think it is high time that we again put the record straight, even at the expense of being somewhat repetitive. Perhaps, though he may be a slow learner, at long last he might be able to take it in. First there was some correspondence between the then prime minister of Canada, the Right Hon. Leader of the Opposition (Mr. Clark) and the Premier of Newfoundland, Mr. Peckford, and I think it only proper that some of that correspondence be read into the record once more.

● (2050)

On August 23, 1979, Premier Peckford wrote to the then prime minister of Canada in the following terms:

> On a number of occasions we have discussed the ownership of the mineral resources of Newfoundland's continental margin. In those discussions, I outlined to you the province's legal and moral claims to ownership and the importance which I place on this subject.
>
> To restate my position briefly, I regard the development of the province's offshore mineral resources as both the greatest hope and greatest challenge facing us. The development of these resources in accordance with the priorities and objectives of the province would enable Newfoundland to become a strong member of an enhanced Canadian Confederation. On the other hand, the development of these resources at a rate, or in a manner, which is inappropriate to the province would do irreparable damage to our social and economic wellbeing.
>
> It is our belief that this challenge can only be met if the province has ownership of, and jurisdiction over, its offshore mineral resources.

I wish to emphasize the next portion and bring it to the attention of members opposite. It reads:

> Accordingly, we greatly appreciate your support of Newfoundland's position and the position of the federal Conservative party that Newfoundland's undersea resources should be treated constitutionally in the same manner as if they were on land.

That is Premier Peckford's understanding of the position adopted by the then prime minister of Canada and it is spelled out quite clearly.

Let me read some of the then prime minister's answer to Mr. Peckford. In part, this letter dated September 14, 1979, reads:

> As you pointed out during our meeting, the strong feelings which Newfoundland has expressed on the offshore mineral resources issue down through the years have flowed from its history. It is fitting, therefore, that I confirm to you, the Premier of Newfoundland, the adherence of the Government of Canada to the principles enunciated. At the same time, however, I wish to take the opportunity presented by the publication of our exchange of letters to confirm that the Government of Canada is prepared to see these principles applied to the resolution of the offshore issue with all provinces concerned. Indeed I am sending a copy of this letter to all the Premiers because all are interested in the matter to some degree and will, in due time, have to deal with it in constitutional discussions.

Attached to that letter was an annex. Its heading reads "Basic Principles Concerning Offshore Mineral Resources". The following is the first item:

> The province of Newfoundland should own the mineral resources of the continental margin off its coast in so far as Canada is entitled to exercise sovereign rights over these resources in accordance with international law. Such ownership should be, to the extent possible, of the same nature as if these resources were located within the boundaries of the province. The legislative jurisdiction of the province should, to the extent possible, be the same as for those resources within the boundaries of the province.

I will not read items 2 and 3 because they go on to reaffirm the position. But let me read item 4 of the annex to the letter dated September 14, 1979, from the then prime minister of Canada to Mr. Peckford. Item number 4 reads:

> The above principles will be further confirmed and implemented by the signing of an agreement between the Government of Canada and the Govern-

ment of Newfoundland and by appropriate legislative action and constitutional change.

Perhaps the issue which the hon. member for Burin-St. George's was raising was the comprehension of Mr. Peckford that if perchance, and that chance did arise, the Liberal party should take over the Government of Canada, he wanted the further commitment of a Conservative government that those resources would in fact be lodged with and be the property of the province of Newfoundland.

Mr. Simmons: That is where Clark reneged. I have those letters and he reneged. He flip-flopped, just as he did with Jerusalem.

Mr. McCain: He did not renege.

Mr. Simmons: He did an about-face.

Mr. Kempling: You are a Newfoundland sewer pipe.

Some hon. Members: Order, please.

Mr. McCain: I wish the hon. member for Burin-St. George's would be as silent and polite while I speak as I was when he spoke.

Mr. Simmons: You were not here.

Mr. McCain: I was in this House and I heard every word of the hon. member's speech.

Mr. Simmons: You didn't understand it.

An hon. Member: Talk about slow learners.

An hon. Member: Order.

Mr. McCain: A lot of slow learners were brought into the House who are sitting on your right, Mr. Speaker. It is regrettable for the good of Canada, but some of the loudest complaints come from those who are the slowest learners.

Some hon. Members: Oh, oh!

Mr. McCain: A whale off the coast of Newfoundland would not make as much impolite noise as the hon. member for Burin-St. George's is making right now. He would understand the difference between blowing and sucking.

Mr. Kempling: He sucks and blows at the same time.

Mr. Siddon: The yappy dog over there.

Mr. McCain: I repeat, the Premier of Newfoundland understood that he could not trust the Liberal party, and the epitome of his cause of mistrust has been vocally expressed here tonight by the hon. member for Burin-St. George's who has failed to be a loyal Newfoundlander by not supporting the concept of coastal provinces in Canada in general, owning the resources, as the Right Hon. Leader of the Opposition said, "as if they were resources on land".

The committees had been established to do the negotiating. A cabinet committee had been established. Members were assigned to the committee to take in the necessary parts of their particular portfolios as the particular portfolio concerned an agreement to be made. The total negotiating package had been set up and was in place. Negotiations were about to begin. That is a far cry from the misleading remarks which have come from the hon. member for Burin-St. George's.

Mr. Simmons: What is misleading? I referred to the same letters you did. He reneged on it.

Some hon. Members: Order.

An hon. Member: Mr. Speaker, can you not keep that fellow quiet?

Mr. Kempling: Who has the floor?

Mr. McCain: If the students of a former teacher of this House had been as diabolical in the interruption of his work as he is now, how would he have dealt with them as a disciplinarian? How can he expect you, Mr. Speaker, to deal with him as a disciplinarian of this school? I am sure he demanded more consideration from his class than he is willing to give to this House of Commons.

A number of things cause great concern in this House. It has been proposed that a pipeline be built from Montreal to Atlantic Canada. We are now in the process of passing a piece of legislation which, in 55 instances, allocates to the Minister of Energy, Mines and Resources (Mr. Lalonde) ministerial discretion. I am concerned about that because it has been ministerial discretion and the tardiness of the various agencies of the Liberal government of this land which have created the present situation. Should the pipeline be built to take gas from Sable Island to central Canada or should it be built from Montreal to take western gas to eastern Canada? If we have not had such greed for political profile on your right, Mr. Speaker, we would know in which direction to build that line. There would have been sufficient exploration and development off Sable Island to enable us to say today where that line should go. If present exploration is indicative of what is there, then the line should definitely be built from east to west in eastern Canada rather than from west to east. We may be getting ourselves involved, as a result of procrastination, deliberation and over-regulation, in the construction of a line which may cost $100 million or more to reverse if and when the dreams, aspirations and reasonable hopes of those drilling off Sable Island are realized.

● (2100)

We are in a position where the government has said, and it has been repeated here today, that the assets of Canada should be shared. I am rather concerned about the approach of the hon. member for Ottawa Centre (Mr. Evans) who indicates that the central government of Canada should exercise all the authority. In the country from which he came there was nothing any stronger than the constitutional rights of the States. Nothing more was carved in stone than the right of

each state to have two senators in the United States Senate. In that senate was vested the authority to protect the rights of every state in the union, new or old.

Under our system we do not preserve state rights carved in stone, as they do in the United States. We would have the existing rights further disrupted and diluted if and when the constitutional package which has been before this House so long were passed. I cannot comprehend how a man who should have obtained his philosophies in a native land which appreciates democratic rights and state rights would ask Canadians, and his own constituents in particular, to accept that the federal government should have all the rights. Nothing could be further from what he was taught to believe.

Mr. Simmons: When did he say that?

Mr. McCain: By his very loud-mouth support of this bill he said that. He has said just that. He has interjected enough that it is pretty clear where he stands.

Mr. Simmons: Come on.

Mr. Epp: Go up to the Senate with Stollery.

Mr. McCain: I suppose you will give me an extra five minutes to deal with the manners of this man.

The Acting Speaker (Mr. Blaker): Order, please. A number of members are calling on the Chair to intervene. I remind them that heckling is an honourable tradition. The hon. member for Carleton-Charlotte has participated in the response, heckling and using some of the same expressions. I think he is doing quite well on his feet and I do not see the necessity of interrupting.

Mr. McCain: Very well, Mr. Speaker. Where does the share of the federal government fit in a confederation? That has already been doled out to the federal government in income tax by an early constitutional amendment. What other share will the government get in a healthy economy with rapid development which this country is ready to receive and capable of developing?

The government gets a share because the unemployment insurance payments would go down. They would save half a billion bucks, maybe more. It gets another share because welfare payments will go down. Under the present Unemployment Insurance Act, welfare payments as part of a cost sharing program, are costing more. It will probably make another half a billion a year there. The government gets another share because the highly paid employees of any developmental structure are going to be paying personal income tax on a high level. I do not know what the estimate of that would be. That is the third share. The government gets another share in the form of income tax from the corporations, companies or individuals conducting the development. It gets other revenues in every tax field from every spin-off of an improved economy. How much does this government want to try to persuade Canada that it should get off the backs of the provinces? It is hypocritical for a government to say it does not get anything out of the development of oil when its gets it in every direction by reduced costs of government and increased revenues which amounts to billions of dollars.

Mr. Gustafson: It wants to whole hog.

Mr. McCain: You get this by reducing federal expenditures and by increasing national revenues. The problem is that an ill-managed government has spent to the extent that it cannot cope with the programs it has put in place and which it has costed and forecast with great inaccuracy. Rather than say a mistake was made, it is reaching higher and higher with greed for political profile at the expense of the provinces in this and so many other situations.

This party was asked what it would do were it in power with respect to the right of way for electricity to pass through the province of Quebec. That was one of the most superfluous questions I have ever heard. There was a deal made by federal Liberal government under Mr. Pearson, with a Liberal government negotiating for Newfoundland under Mr. Smallwood's direction and a Liberal government dealing with the problem in the province of Quebec under Mr. Bourassa. I say to the Liberal government of this day and its party supporters that it is a pretty dirty bird that will foul its own nest and ask its successors to move in and clean it up. You fellows clean it up. Your predecessors created it. Don't ask us what to do about it, we didn't create it.

The Bible says that the son shall answer for the sins of the father, and so the sons will just have to take the punishment and come up with the solutions that will create a unified, harmonious Canada. While they are doing that they should bear one thing in mind. Montreal has been supplied with oil by an international pipeline from Portland as well as from other sources. New Brunswick has undertaken an interprovincial and an international electric grid. Without rights of way, these projects would have been impossible. There is to be and there will be a maritime energy commission at some point in time. That will depend on the freedom of transmission of electricity through the provinces of Canada for it to be successful.

I submit that if there is to be energy transmitted from one province to another, if we are going to bring gas from Alberta to Montreal, then can we not bring electrical energy from Newfoundland to New Brunswick, Quebec and Ontario? This is what should have been thought about when those three great Liberals were laying down the plan which is causing the problems of today. It was the acquiescence and lack of foresight which create the problem.

Mr. Simmons: Are you for or against it?

Mr. McCain: Just like an artesian well.

Mr. Epp: No, an artesian well has clean water.

Mr. Wilson: He's more like a sump pump.

Mr. McCain: Perhaps the federal government could improve its approach in the fashion it is trying to negotiate with the provinces. The history of the resource industry of Canada,

regardless of the resource, has proven to responsible governments, beyond any measure of doubt whatsoever, that a specific royalty is detrimental to development. The only royalty which a province or federal structure should seek is on a profit-sharing basis.

One of the biggest mining developments in New Brunswick employs a couple of thousand people. It would never have got off the ground if the province of New Brunswick had applied a specific royalty on the specific minerals which were withdrawn from the soil at Bathurst. It was by agreement between the Hon. Hugh John Flemming, then premier of New Brunswick, and the Right Hon. John Diefenbaker as prime minister of Canada that a new formula was devised to make work in Bathurst through the development of our resources, with the province to get a percentage of profit as a royalty.

If a percentage profit had been the basis for royalties in western Canada and in the mind of this federal government, those 500 oil wells in Saskatchewan would still be producing, and those 175 rigs which have left Canada would still be drilling. Anybody who has any love for Canada whatsoever and understands the business concept of a free world knows there must be a new formula.

In spite of all the bellyaching from your right, Mr. Speaker, let me point out one thing. The relations between the Leader of the Opposition when he was prime minister and the provinces of Canada at no time cause a shutdown of wells or a reduction in oil delivery. Nor did it interfere with exploration. Nor has it caused the postponement of any development or exploration, and when that contrast is drawn, the government should only speak of its own performance with a sheepish look and a covered face.

● (2110)

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I would like to begin by observing that the demonstration we have seen in the last hour put up by the hon. member for Burin-St. George's (Mr. Simmons) indicates he certainly is no beautyrest. He has created an ache in the backsides as no other member has since that late appointee from Spadina to the other place.

Let me begin by saying that the debate on this bill is right now totally out of place. What we ought to be debating are matters of the Post Office and the fact that potentially 1,000 to 1,500 businesses per month, will go bankrupt as a result of the postal strike, if this government does not get the Post Office working again. Here we are debating Bill C-48 at the report stage, even though there was a commitment to save it for a fall debate.

We have before us Bill C-48, even though off schedule.

Some hon. Members: Oh, oh!

Mr. Friesen: Let me reply to the hon. member for Vancouver-Kingsway (Mr. Waddell). It seems to me that since the last election the Liberal government has made certain the people from British Columbia are alienated from the government. To speak on behalf of British Columbia has fallen to the lot of only one party, and that is the Progressive Conservative Party whose members now speak on behalf of British Columbians.

I remember the debate on the Constitution and I cannot remember members to my left speaking on behalf of British Columbia during that debate. As a matter of fact, we had an indication of the direction those members want to go when it came to a discussion of natural resources at that time. I fully recall, and I checked with *Hansard,* a speech made by the hon. member for Kootenay West (Mr. Kristiansen). I recall very clearly that he said the former Premier of British Columbia, the Hon. Dave Barrett, indicated at the 1975 federal-provincial conference that if the federal government would promise it would nationalize the natural resources of the provinces, British Columbia would gladly turn over its natural resources to the central government. That was the commitment Dave Barrett made in 1975, and I think members to my left will acknowledge that. The hon. member for Kootenay West approved of that commitment. Incidentally, that is why the New Democratic Party during the Constitution debate supported the Liberal Party in the matter of ownership of provincial resources. In a sense we have to say who speaks on behalf of the people of British Columbia.

An hon. Member: The NDP.

Mr. Friesen: The hon. member for Vancouver-Kingsway wants to speak on behalf of the central government, letting the central government acquire all the resources that belong to the province of British Columbia. He speaks on behalf of the north, and that is fine, it is part of his mandate as a critic for that party, but somewhere along the line somebody has to speak on behalf of the people of British Columbia.

It seems to me we are dealing not only with the resources of that province, we are dealing with the inheritance of our children and their children. What members to my left and also those across the way would like to do is to develop an irrevocable act that would for all time turn over those resources to the central government, thus prohibiting future generations in British Columbia from having any kind of control over those resources.

This amendment is vital. For the record I want to say it was the hon. member for St. John's East (Mr. McGrath) who proposed an amendment to Bill C-48 which is entitled "An Act to regulate oil and gas interests in Canada lands", which should more honestly read "an act to confiscate oil and gas interests in Canada lands". The hon. member for St. John's East would like to see his amendment accepted so this act would have no authority over offshore resources.

I should like to have heard the hon. member for Vancouver-Kingsway speak on behalf of the offshore resources in British Columbia, resources of very vital interest to the people of that province. As he knows, interest in offshore resources in British Columbia is growing rapidly. The land is being parcelled off for future drilling. There is increased interest in drilling for gas in the ocean waters of British Columbia, but that interest will never be developed until this question is settled and until

those who are interested know who is going to control, manage and own those resources, and to whom they will be accountable in the development of those resources.

For the future of the economy of British Columbia and for the protection of the cash flow of British Columbians we have to speak to this issue. I would urge members on my left to support this amendment in order to preserve the resources of British Columbia for British Columbians. As long as there is this vagueness and this vagary, we will have stagnation in that industry offshore.

The Liberal Government's position is that the central government should own those resources, take in all the revenue possible and then take what it deems to be surplus revenue and give it back to the provinces. This is the same kind of program we have for many other taxes in the country. The trouble is that the central government spills so much; the money sifts through its fingers through accounting errors. The bottom line is that the federal government makes the provinces vulnerable to the caprice of a centralist government. The centralist government determines what the payback for these resources ought to be to the provinces.

British Columbia happens to be a producing province which is in a prosperous state. Let us consider the condition of the Atlantic provinces, Nova Scotia and Newfoundland, which are on the threshold of becoming have provinces even though historically they have been have-not provinces. Let us consider how much they would still suffer from the caprice of a central government determining, by the whim of Ottawa bureaucrats and a formula they would devise, what payback ought to go to those provinces after the resources have been developed. As long as this is in the control of the central government, that government will act capriciously with those provinces.

Our party has made a clear declaration of where we stand on this. The province ought to control the offshore resources in the same way as the provinces control the land resources. Saskatchewan and Alberta have land-based energy resources. Those provinces which have offshore energy resources ought to enjoy the same kind of benefits. The problem is that whenever the federal government has tried to manipulate those land-based resources, the provincial economies have been destroyed.

• (2120)

I was talking to a friend from Alberta just a few days ago. I said to him, "Things are going pretty well in your town". He said, "No, things are shut down". In this particular case it was an auditor from the revenue department who had gone out to one of the towns in Alberta where oil drilling is the chief industry and, instead of there being 60 cats operating, there was one, merely because of the manipulative power of this central government.

We in our party are convinced that a province which enjoys an ocean shoreline ought to be able to develop resources offshore in the same way provinces can develop those resources on land. However, this is not just a matter of constitutional right and interpretation; it is a matter of stewardship. It seems to me that wherever the federal government has been involved in resource development, particularly on northern land, its stewardship has left much to be desired. When we were in government one hon. member opposite came to me and said, "Why are you people so intent on granting provincial status to the Yukon?" He said, "Look at all the money the Yukon brings into the federal treasury". That is the nub of it all; the federal government wants to prevent provincial status in the north; it makes money because the Yukon has a territorial government and is not operating on behalf of the territory but on behalf of the Central government. It is a matter of stewardship. As long as resources are in the command of the central government, stewardship will be left wanting.

Canadians have become convinced that the entire energy policy is not a matter of self-sufficiency or a matter of supply; it is a matter of money for the federal Treasury. The hon. member for Vegreville (Mr. Mazankowski) pointed out this afternoon that through tax dollars the central government is the greatest beneficiary of the energy policy. The province of Ontario gets more tax dollars out of petroleum energy than the province of Alberta. That is very poor stewardship.

As a member for British Columbia I want to speak on behalf of the province of British Columbia, which has a vital interest in this particular amendment the passage of which would ensure that the province of British Columbia, as well as the provinces of the Atlantic, would maintain control of all the energy resources and mineral resources offshore in the same way it controls other resources. Should the amendment of the hon. member for St. John's East be accepted, the province of British Columbia would benefit. Incidentally, so would the federal government because the federal government would get its due in terms of tax dollars.

I trust that hon. members of the House will accept the motion of the hon. member for St. John's East, and that the provinces which enjoy maritime coastlines will be able to control their own natural resources.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I too want to speak in support of this motion introduced by the hon. member for St. John's East (Mr. McGrath). I think it is good to begin this debate at report stage on this very important motion moved by my colleague because, although it speaks directly to the question of offshore rights for the coastal provinces, it brings us directly to the larger issue of Bill C-48 and, indeed, the government's energy policies, which are directly based on the government's philosophy of management of the country's resources, and that is a philosophy which I profoundly oppose.

The hon. member for St. John's East made a distinguished contribution this afternoon when he insisted that it is the right of the coastal provinces to control their own rates of development. Indeed, as the hon. member for Annapolis Valley-Hants (Mr. Nowlan) told us earlier this evening, the provinces in the Atlantic area which those two members represent had ownership of their resources when they entered Canada. I represent a province, Alberta, which had to struggle to acquire that ownership long after we became part of Canada, and if today hon. members from Alberta are fighting strongly to retain

control of the resources in our province, so too we fight on behalf of those coastal provinces which had those rights when they came into confederation.

This motion brings us directly to the heart of the bill and the philosophy of the government. The rights of the provinces, whether obtained at their entry into confederation or provided to them by amendments to the Constitution in 1930, are at the very heart of the continuation of the development of this country, which is based on regional strengths. This is a confederation, and I have to say with great sincerity that I believe the government is operating from a unitary philosophy. It is not the provinces and the rights of those provinces which are uppermost in the minds of hon. members opposite, but it is their desire to control from the centre of this country all aspects of its development. That has led to the unfortunate National Energy Program and the Canadianization concepts therein.

Before I leave the speech made by the hon. member for St. John's East on the motion now before the House, I would like to underline a very important phrase the hon. member offered for our consideration. The hon. member defended the case of Newfoundland regarding the right to offshore mineral development out 200 miles and in the seabed beyond as far as the coastal lines prevail. He said to us that what Newfoundland wants is the right to control the development of that heritage which is Newfoundland's and the right to control the economic and social ramifications that development brings the indigenous community around it so that it would be developed with the best interests of the community involved in mind. So too in Nova Scotia. The hon. member for St. John's East said it is important that we have that rate of development controlled so that Newfoundland can then proceed, in the spirit of sharing, to share with the rest of Canada. I believe it is not the intention of Newfoundland, any more than it is the intention of Alberta, in exercising control of the development of resources, to hold the benefits of those resources for themselves. It is abundantly clear that Alberta has shared the benefits of its heritage. Indeed, we can make the case, and have made it very strongly, that by accepting a price far below the world price for our energy, we have made a significant contribution to the wellbeing of Canada. If you go back to the beginning of OPEC and the rise in oil prices, this contribution amounts to some $30 billion. While we are not looking in particular for a great amount of credit for that because we have done it in a spirit of developing Canada as best we can from all regional points of view, at the same time I think it ill behooves the government, particularly the Minister of Energy, Mines and Resources (Mr. Lalonde) to keep insisting that these problems with respect to Alberta could be solved if we had a better sense of sharing.

● (2130)

The same is true of Newfoundland. When the benefits of high technology become operative in securing the development of mineral resources in our coastal provinces, whether it be the Atlantic coast or the Pacific coast, I believe these provinces will operate in the same mode as Alberta, which is in a spirit of sharing with the rest of Canada. However, they cannot do that, any more than we can, if they roll over and allow an excessively centralist government to dominate the ownership, control and development of those resources.

I have a number of things that I wish to say about Bill C-48, Mr. Speaker, as we proceed. I am not going to go into them all tonight. I would draw your attention only to the importance of the motion put before us by the hon. member for St. John's East concerning the protection of the rights of coastal provinces with respect to ownership of their resources.

Mrs. Erola: Mr. Speaker, on a point of order. I would like to ask the hon. member to tell me who negotiated the 200-mile limit and more, the provinces or the Government of Canada?

Mr. Roche: Well, I do not know that that is a point of order, but I am glad to proceed into the question of the negotiation of the 200-mile limit and the whole aspect of the Law of the Sea. I do not know whether Mr. Speaker is going to welcome a lengthy intervention, and I will be glad to return to that, but let me just tell the minister that of course it was the Canadian government that negotiated the law of the sea. However, I would say the Canadian government's intervention would only carry as much weight as the province's agreement to participate in a national policy on the law of the sea. I believe the provinces have made a distinctive contribution to the formulation of the policy which was advanced. I hope the minister is not trying to suggest the government's policies on the Law of the Sea have been all that wonderful, because I would draw to her attention the briefing published by the North-South institute in March, 1981, entitled "Canada: The Third World and the Law of the Sea" in which the fundamental point is made that there has been an acquisitiveness underlying the policies of the Canadian government and a reluctance for revenue-sharing.

The hon. member for St. John's East made the case this afternoon, which has been referred to by others in the course of this debate, that revenue sharing in Canada can only be done if there is a proper understanding of ownership and a proper exercise of the rights of ownership. So, too, revenue sharing internationally can only be done if there is a proper understanding of the rights of ownership of other countries. I believe that what the provinces have done so far is to help in the formulation of a realistic Canadian policy which respects ownership and then goes on to the larger question of revenue sharing.

The Acting Speaker (Mr. Blaker): Order, please. I was hoping perhaps the hon. member for Edmonton South (Mr. Roche) might wish to indicate if he was prepared to accept a question, but I do not have that choice before I know whether or not the minister wished to ask a question or make a point of order. So I have to recognize the Minister of State for Mines (Mrs. Erola) on a—

Mrs. Erola: I have another question, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Perhaps we can make it clear that it will be with the permission of the hon. member if he chooses to entertain it.

Mr. Roche: I certainly welcome the opportunity of answering questions rather than trying to ask them, but if the minister will let me proceed for a few moments, at the end of my speech I will welcome her questions and will try to leave her some time.

I think, Mr. Speaker, what we are attempting to do as a centrepiece of this particular motion before us is not to go into the larger questions of the law of the sea—which again I say to the minister ought to be debated in this House, and I fault the government for not having brought before the House a significant debate on the law of the sea—but rather to concentrate for a moment on the rights of the provinces.

The bill before us is an expression of the philosophy of the government regarding the best way to maximize its take from the offshore provinces, indeed from the north, the two central aspects of the Canada lands which are before us. The sensitivities of the people of the north and the provinces bordering the oceans are apparently just inconveniences the government lightly brushes aside. So far as members of the government in this House are concerned, they evoke the same kind of yawn which must have creased marie Antoinette's lips when she heard the poor of Paris clamouring for bread. That unfortunate queen misread the mood of the people, as indeed the present government misreads the mood of the north and the coastal provinces.

The Minister of Energy, Mines and Resources has proclaimed self-sufficiency and Canadianization as the goals of this bill. I do not know how we can seriously believe his words when we see the most recent report of the Canadian Petroleum Association, when we recognize the decision to put the Cold Lake development on an indefinite hold, which indeed could put it off into the far distant future. That plant would have produced 167,000 barrels a day by 1987. I do not know how the minister can keep proclaiming that he has the best interests of the development of energy in Canada in mind when the Canadian Petroleum Association in its review said:

> The 1981 spending outlook has been dimmed by the National Energy Program. The Association's projections prior to NEP foresaw exploration and capital expenditures in excess of $10 billion for the year. It is now expected that only approximately $6.5 billion will be spent. This would be a reduction of 22 per cent from the 1980 spending level. The impact on the industry's activity level will even be greater because of inflationary cost increases: e.g. drilling completions are forecast to drop to 6,400 compared with 9,200 in 1980. An early resolution of the energy impasse is required to improve the investment outlook.

● (2140)

This is the fundamental background with which we began debate at report stage of this bill. The government is showing the same disregard for the feelings of the north, to touch on the north for a moment, as it showed for the feelings and the claims of Albertans.

I should like to refer to the report of the Canadian Catholic Bishops' Social Affairs Commission wherein it indicated:

> In effect, this proposed legislation would further entrench the people of the North in a situation of colonialism in Canada. It not only threatens to violate the aboriginal rights of the native peoples but it also threatens to deny all the peoples of the North some of the basic democratic rights and freedoms which we have to know and expect in other regions of Canada.

The question before us is very simple: Do we care for the future of the inhabitants of the Northwest Territories and for the future development of the coastal provinces of our great country? Do we want both these tremendously important areas of Canada to be truly a part of the Canadian mosaic? This bill, particularly in its form at report stage, does not give me much hope. I believe it is a selfish bill, the enrichment of Ottawa being its principal aim. This is the fundamental point I wanted to draw to the attention of the Minister of State for Mines (Mrs. Erola). It is a bill without a vision. It is a bill that the people of the north and those of the coastal provinces will remember with bitterness for many years to come.

In the moment remaining I would say that we ought to think seriously about the northern leaders' conference which was held in Yellowknife in March of this year. It categorically castigated the present government for ignoring the most crucial concerns of the north—those of political development, the settlement of aboriginal rights, as well as resource ownership and control.

The Minister of Energy, Mines and Resources continues to demonstrate before the House and the country a spirit of confrontation rather than one of co-operation. He is taking steps to move us backward in the true development of our resource strength which our country and indeed the world needs. The policy whereby we continue to import offshore oil in the amount of $5.5 billion to $6 billion this year, in my judgment, ought to be most severely criticized. This oil is needed in other parts of the world. We have sufficient oil here if we put our own act together to develop and produce it properly. This policy should not be criticized on grounds of politics or partisanship. It should be criticized on grounds of fairness for a world in need of resources. The very idea of closing a $12 billion oil plant because we cannot reach an energy agreement is a problem beyond belief.

Hon. members on this side are determined to keep putting these points of view forward. I know how little the government listens, but we on this side of the House will show some determination by speaking out on behalf of true energy development, on behalf of all people of Canada, and on behalf of true regional development. It is our duty, and it is what we intend to do.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): I know the hon. Minister for Mines is seeking the floor on a point of order and I know it is intended as a question for the hon. member for Edmonton South. Is there unanimous consent of the House to extend the hon. member's time for a moment in order to permit the hon. minister to ask her question?

Some hon. Members: Agreed.

Mrs. Erola: Mr. Speaker, I should like to return to the subject of the law of the sea to which the hon. member referred. If the resources at the bottom of the high seas which, if we follow the law of the sea treaty, are to be shared by all humanity or all people in the world, does it not follow that those resources which are at the bottom of the sea within Canadian jurisdiction should be shared by all Canadians?

Mr. Siddon: Who said that they would not be?

Mr. Roche: Mr. Speaker, I thought I dealt with that question when I emphasized what the hon. member for St. John's East said earlier in the day. It is the intention of the province for which he spoke to enter into a spirit of sharing with the rest of Canada. In the law of the sea the minerals at the bottom of the ocean in the high seas ought clearly to be put under the jurisdiction of an international institution because they do not belong to anybody out in the high seas. The revenue from that ought to be shared on an equitable basis, particularly with land blocked and geographically disadvantaged states. Those minerals which will subsequently be developed at the bottom of the sea on the coastal areas of Canada belong to Canada—

Mrs. Erola: That is right.

Mr. Roche: —but we will enter into a revenue-sharing formula. This revenue-sharing formula will be arrived at by the concurrence of the provinces which have the actual ownership. I believe that is what makes Canada.

In conclusion, the hon. minister is reflecting her reaction to my answer on the question of the unitary concept of Canada that we are opposing. We are saying that Canada is composed of a confederation in which the policies of our government, of our national stance, are arrived at jointly by the federal and the provincial governments. Certainly this will come into play in the revenue sharing concept of the minerals at the bottom of the sea on the coastal areas of Canada.

The Acting Speaker (Mr. Blaker): I was about to recognize the hon. member for Capilano (Mr. Huntington), but I must look to my right at this point and recognize the hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren).

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, during the course of our discussion today on the amendment advanced by the hon. member for St. John's East (Mr. McGrath) we have heard some discussion of the questions about oil supply in Canada and of the broad question of meeting our oil needs at the end of this decade. We have also heard another principal theme in our discussion, namely, the more legalistic question of ownership of offshore resources, whether they be on the Atlantic coast, on the Pacific coast, or in the Arctic regions.

Let me attempt for a moment to comment on the first of those two major themes in our discussion on the question of the exploitation of resources on Canada lands. The suggestion was made this afternoon and this evening that this legislation would somehow act as a hindrance to the achievement by Canada of the goal of self-sufficiency in the petroleum field. In fact, there is no evidence to substantiate such an allegation. On the contrary, there is ample evidence, some of which I should like to cite for the benefit of the House, that the very opposite is true. One broad purpose of the National Energy Program is to ensure that Canadians enjoy self-sufficiency in oil, as they already do in hydro-electricity, coal, uranium and natural gas, by the end of this decade. In the evaluation of our potential supply it is obvious that the offshore resources on the east coast, which have now largely been outlined, and those in the Arctic which are on the way to being determined, will play a significant part in the provision of self-sufficiency in oil for all Canadians. That exploration, that exciting new development in Canada's energy future will, in part, come about as a result of the incentives which have been provided in the past and which will be provided increasingly in the future for Canadian-controlled companies to bring those resources to the benefit of all Canadians.

● (2150)

We have seen the example of Dome Petroleum with its ambitious schemes in the Beaufort Sea, schemes which also involve a degree of Canadianization which hitherto were not present. We know of the NOVA corporation's commitments in the Canada lands. As indicative, indeed, of many other arrangements, we have seen the arrangements between Shell and Norcen. We have seen the participation of a number of smaller Canadian companies, and I wish to note in particular their participation in the offshore exploration where they were not present in the past. Indeed, it would be an unusual week when the readers of at least the financial pages of our newspapers were not to note some new commitment by petroleum companies, particularly Canadian companies, to participate in the exploration and development in the Canada lands. I would submit that, in fact, the regime which is set forth in Bill C-48 does not in any way hinder or discourage the development which we all seek. On the contrary, it provides a framework in which that exploration and development can proceed.

Members of the House may recall that some years ago Bill C-20 offered a new regime to replace the existing somewhat ill-defined regulations to govern exploration and development in Canada lands. Unfortunately, that legislation died on the Order Paper when an election occurred. We now have before us Bill C-48, which sets forth in a coherent and comprehensive fashion the terms on which exploration and development will occur in the Canada lands. Quite obviously, this legislation is timely. Indeed, in my view, it is overdue. It provides the petroleum industry with the ground rules on which it can proceed with investments, with an assurance of the terms on which investments can be made.

We have before us a bill which defines the relationship of the federal government and the oil companies active in the Canada lands. It is not a bill about native people's claims. It is not a bill about the ownership of any particular area, or claims to ownership of any particular area in the Canada lands. What the bill does is to set out the terms and conditions for explora-

tion and development in the frontier areas. As I have said, companies can proceed with assurance as a result. In short, we shall have a regime which will stimulate further development in the Canada lands and help to ensure that all Canadians can enjoy the benefits of oil self-sufficiency, as they do in all other areas of energy.

The second major theme which we have seen develop in the debate today is that of ownership of offshore resources. I assume that members opposite have in mind the idea that somehow this bill prevents any further discussion or consideration of how the revenue from what we all hope will be the successful exploration in the Canada lands will be shared. Obviously, the bill does not do that. Indeed, I would draw the attention of the House to the fact that the bill states quite clearly that Canada lands means lands that belong to Her Majesty in the right of Canada. If they are not lands that belong to Her Majesty in the right of Canada, then they are not affected by this bill. Also, in the second part of clause 2 we refer to submarine areas not within a province. If there is some debate, some dissension about what are Canada lands and what are not Canada lands, whether they are within a province or not, then that can be challenged in the courts. Indeed, this afternoon the minister made some reference to the fact that a case currently being heard in the federal court—as I recall, a case initiated by the Seafarers' International Union—may well address this very question of the ownership of offshore resources and the right to exploit those resources. But that, to my mind, is taking an unnecessarily legalistic view of the question.

The fact is that this government has, on numerous occasions, indeed, as was noted by the hon. member for St. John's East, offered to engage in serious discussion with the Maritime provinces of our country to determine a way in which those offshore resources will be explored and developed. The government has indicated its willingness to commit itself to a regime which would provide the adjacent provinces with revenues which would bring them the opportunities which all of us seek for our citizens, providing the adjacent provinces the opportunity to benefit fully from the exploration and development. There is no question here of a grab. Indeed, the land in question is clearly under the authority of the national government of Canada. I include Sable Island. Quite obviously, as is set forth in article 91.9 of the British America Act, the federal Parliament has legislated jurisdiction over Sable Island. Thus, I cannot think why the hon. member for St. John's East sees any particular advantage in deleting that reference when it is a reference enshrined in our Constitution.

• (2200)

With regard to other points made by the hon. member for St. John's East, I would submit that the deletion of the clause would in no way strengthen the legal, or even the political, case made by the adjacent coastal provinces. In fact, in my view and in the view of the government, such a deletion would merely weaken Canada's claim to sovereignty over those waters to the 200-mile limit. If this motion were adopted what we would have would be a deletion of all reference to the 200-mile limit. By extension, we would weaken our claim to sovereignty over that area. I noted earlier that the definition provided in the bill excludes submarine areas not within a province. Therefore, that responsibility for all or part of those waters may be devolved to adjacent provinces without any amendment to Bill C-48. There is no need for amendment if such a devolvement were to be made. Rather than clarify the offshore dispute, in our view, the amendment would only serve to confuse the issue and leave unclear the responsibility for such important matters as environmental protection.

Mr. Speaker, may I call it ten o'clock?

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—MINISTER'S COMMITMENTS TO IMPROVE PENSIONS FOR WOMEN. (A) REQUEST THAT MINISTER PRESS FOR ACTION BY GOVERNMENT. (B) MINISTER'S ROLE IN ADVOCATING INCOME TAX REFORMS

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, July 3, as recorded in *Hansard* at page 11167, I put a series of questions to the Minister of National Health and Welfare (Miss Bégin). The questions raised three main points, and I shall refer to them; but I hope it was clear that the thrust of all three was the same, namely, that I think it is most unfair to the senior citizens of this country that there is so much delay in dealing with the question of raising pensions.

The first point that I raised had to do with a particular group who are being shortchanged. I refer to women between the ages of 55 and 60, and between the ages of 60 and 65. I put them in those two different groups because the discrimination against them varies a bit. In the case of those between 60 and 65, the discrimination is against single women, women who are alone, as opposed to those who can qualify for the spouse's allowance. In the case of those between 55 and 60, the discrimination is against all of them in that there is no federal pension for people in that age bracket.

Earlier today, when I moved a motion under Standing Order 43 along this subject, one of my friends, to have a bit of fun, suggested to me that I was violating the Constitution because I proposed something that seemed to discriminate in favour of one sex as opposed to the other. Of course, my immediate reply was that there is provision in that same Constitution to ameliorate the plight of disadvantaged groups; and women in those two age brackets, from 55 to 65, are certainly a disad-

vantaged group. I welcome the things that the Minister of National Health and Welfare has said about doing something for women in these groups; but I confess that much as I enjoy the position that the Minister of National Health and Welfare takes, and much as I am ready to quote the things that she says, it does annoy me that we are told again and again that this is a time of restraint, that there is no money, and all the rest of it. As I said in response to someone who used that line the other day, that has been the line of ministers of finance from the day when the minister of finance, back in the middle twenties, told J. S. Woodsworth that there was no money for a pension of $20 a month.

My second point in my question on Friday, July 3, had to do with the fact that the Minister of Finance (Mr. MacEachen) keeps telling us how strong the economy is, and we get these reports about the billions of dollars which are around. How does the Minister of National Health and Welfare square with that her being told that, so far as increased pensions are concerned, she just has to wait? She said, "When I see the money, when I see the colour of the necessary billions of dollars, I will be at the door of the Minister of Finance." I want her at the door of the Minister of Finance right now.

Then my third point had to do with the fact that the same minister of National Health and Welfare has some very good ideas about tax reforms which ought to take place. We liked her proposal for a child tax credit as opposed to deductions from taxable income. She has other suggestions. She points out the many loopholes there are in the tax system which result in those who are not in need getting all sorts of benefits, cutting down the money which is available to provide pensions or assistance to those who need it. On that score, too, I want her to be knocking much more seriously on the door of the Minister of Finance than I feel she is.

As I say, those are the three specific points that I put into my question. I know that when parliamentary secretaries are assigned to answer questions in the late show, they like to have the member stay on the questions that he asked. Sometimes I see faces over there go ashen when the member gets up and talks about something else altogether. My hon. friend must be ready to answer. She is the only parliamentary secretary and the only Liberal over there tonight. She is the Liberal party. She will realize that I am dealing with the very points that I raised in my question.

As I say, the thrust of all that is that it is not good enough to talk about doing something for senior citizens four or five years down the road, just before the next election sometime in the eighties or nineties. I hope I can say it without giving offence to anyone: I felt this last Thursday night. I said it when I opposed the bill which was before the House that night. I expressed the hope that members generally having done so well for themselves, both in pay and pensions, would have some conscience about these things, and I want to see action very soon.

• (2205)

Therefore, I present to the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni) the points that I have raised. I hope she has the answers to them. I hope also she will assure me that she will get behind the Minister of National Health and Welfare and push her for action soon, not just before the next election. Our pensioners need substantial improvements now.

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it is very difficult to answer the hon. member for Winnipeg North Centre (Mr. Knowles). If my face is ashen it is because it is hard to dispute the hon. member. He is reasonable, and he makes very good claims, with which I personally agree. Nevertheless, I am sorry but I have to repeat what the minister has said over and over again because it is the truth. As the hon. member has rightly said, the minister is extremely sympathetic to this question but she does not have the money. The answer is that simple and that horrendous.

The government does have a clear responsibility to provide pensions for the elderly, and it discharges this responsibility through the Old Age Security program and through the Canada Pension Plan. However, as the hon. member knows well, direct assistance to other persons, that is to those who have not reached the pensionable age, in a provincial responsibility. The provinces already provide benefits for these groups through cash social assistance and through a variety of free services. The federal government also plays an important role in the provision of these benefits since it pays for 50 per cent of their cost. That is a fact not generally known by the public.

One does question the desirability of a universal program to assist people between the ages of 55 and 65. Such a suggestion implies that the majority of Canadians in this broad age group requires this type of assistance. I do not believe that is the case. Even if we were to make it universal, the trouble would be that people who do not need the money would benefit from it, whereas people who need it desperately would have to do with so much less.

Some might see this idea of lowering the age requirement as being tantamount to reducing the qualifying age to 55 for Old Age Security pensions. Here again we find another problem. Even setting aside the enormous cost it would imply, we must recognize that such a move might work as an incentive for individuals to leave the work force much earlier and thus disrupt our socioeconomic structure. Thus, the ultimate cost, social and economic, might be even higher than the more than $3 billion of direct initial federal expenditures which would be required.

Mr. Knowles: It would provide jobs for younger people.

Mrs. Appolloni: The government has committed itself to the elimination of poverty among the Old Age Security pensioners who live alone. This is the government's first priority and it is a costly one.

The Acting Speaker (Mr. Blaker): Order, please. The parliamentary secretary has been made familiar with the rather rigid rules of the adjournment motion.

Mr. Knowles: No money and she ran out of time.

• (2210)

POST OFFICE—SERVICE PROVIDED BY RURAL OFFICES DURING POSTAL STRIKE. (A) TREATMENT OF EMPLOYEES WHO REMAIN ON DUTY

Hon. Jake Epp (Provencher): Mr. Speaker, on July 7, as recorded at 11,266 of *Hansard* I asked two questions of the Postmaster General (Mr. Ouellet) regarding the present strike. Just to put the questions into context, in my part of the country, eastern Manitoba, there is no post office that is closed and there is no postal worker who is on strike. What we are receiving in that area is local mail delivery. For example, a letter posted at a local post office will find its way into the post office box of the individual post box holder.

The postal workers in the region—and I conveyed this in a question—asked me whether the government would be willing to set up a route system whereby letters posted in one post office destined for another town could be taken in bulk by the Post Office to the post office in question and there distributed to the mail boxes. That has been done before.

I had a meeting with my postal workers on Saturday last. They repeated that request and pointed out the manner in which the system could work. What would happen obviously is that within that trading region in a regional area, we would be able to continue our postal service.

I want to say publicly that I commend those postal workers for continuing to have those post office open and giving us postal service. I personally feel that a negotiated settlement is best. However, I suggest that consideration might be given to a cooling-off period during which the postal workers would come back to work. Negotiations would continue during that time.

First, I am asking the parliamentary secretary whether the government will consider this inter-postal distribution system in order that within a trading area that work could continue. The question I ask is whether the government would guarantee these postal workers the right to continue working and that they not be locked out, as they were in 1978, or dismissed from service and after a while having to go on unemployment insurance.

Those workers felt the union was putting pressure on them and would discipline them. In the Friday, July 10 issue of the Winnipeg *Free Press,* there was an article entitled "CUPW spokesman 'disowns' non-strikers". I quote from that article as follows:

> Pat Miller said that at the conclusion of the strike, the 15 to 20 members of CUPW's Winnipeg local in Altona, Morden, Winkler and Steinbach will have an opportunity to show cause before the local's three-member disciplinary committee why they should not be thrown out of the union.

In rural areas I hear this time and time again. The union workers say there is really no point in voting because the vote has already been taken. No matter how they vote, the strike will be called. A strike situation in a rural community is quite different from a strike situation in a larger centre. These are neighbours and friends. Frankly, these people feel that a negotiated settlement would be much better.

In my second question I ask the parliamentary secretary what guarantee the federal government would give to these postal workers who have chosen to stay on the job and give us local postal service and who, if the public press is to be believed, could be facing disciplinary action. What guarantee will the government give these people to continue working even though the mail supply might dwindle and these people may be locked out? I recommend that they not be locked out but be commended for the service they are giving.

Those are the two questions I would like to have the parliamentary secretary answer. As I say, I believe that a negotiated settlement is preferable. I suggest that instead of legislating a settlement here on the floor of the House of Commons, what should be considered is a deal whereby we could have a cooling-off period. Work could then resume in the Post Office, mail services would be reinstated and negotiations undertaken. I understand from both sides that should they come to the table, the postal strike could be settled in a matter of hours. I hope that is the course to which the government will direct its attention.

• (2215)

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, if I may reply to the first question raised by the hon. gentleman, I would like to suggest very strongly that not only would it be impossible to transport, sort, forward and distribute large volumes of mail through these tiny rural offices, but an effort to move national mail through these centres could be interpreted as encouraging strike-breaking on the part of another bargaining unit, and that, of course, is something the government does not want to do.

As far as the second question is concerned, I can reassure the hon. gentleman that the minister is very much in sympathy with the hardships caused in rural communities by the postal strike, and we will attempt to continue to provide as much local mail service as possible through our rural offices to reduce these burdens. We will continue to monitor the situation on a daily basis to ensure that our responses are the most appropriate for that particular time.

Unfortunately, when legal work stoppages occur by one of the postal groups, the end result is often insufficient mail volumes to justify continued employment of all other postal employees. Thus, with the current strike of inside postal workers, the letter carriers as well as others have had to be placed on off-duty status. The minister sincerely hopes that the parties can resume negotiations in the near future and settle this postal disruption before the burden of the strike affects any additional Canadians.

Adjournment Debate

POST OFFICE—GOVERNMENT POSITION ON POSTAL STRIKE. (A) SUSPENSION OF RIGHT TO STRIKE

Mr. Otto Jelinek (Halton): Mr. Speaker, my topic this evening as well is the Post Office and the current strike to which all Canadians are being subjected. As we all know, the right to strike within the Post Office and other essential government services was granted by a Liberal government in 1967. since then a dozen or more strikes have taken place within the Post Office itself, nearly one per year. In fact, since 1975, in the last six years, seven strikes within the Post Office, have taken place; in other words, more than one in each year, and all those strikes under Liberal government administration.

Yet today we find ourselves faced with inconsistency on the part of the front benches and of the Prime Minister (Mr. Trudeau); inconsistencies such as this: During the 1978 postal strike which the Liberal government legislated "back to work", the postmaster general at the time said "when an individual right becomes a public wrong, Parliament should terminate the dispute. That was less than three years ago. Last week the President of the Treasury Board (Mr. Johnston) of this same government said, in so far as legislating postal workers back to work is concerned, "I think if you are saying you have to legislate, then you are saying there should not be a right to strike". I am paraphrasing. That is the inconsistency. The government legislated the postal workers back to work after a stoppage of work of one day in 1978. Today the government is saying that perhaps it will let them strike all summer.

I have another quotation by the Prime Minister of just last Monday. When asked about legislating the Canadian Union of Postal Workers back to work, he said, "we cannot legislate CUPW back to work because they will disobey the order". That is probably one of the most ridiculous statements made by any prime minister or politician. If he is afraid to legislate a law because someone would disobey it, we should not have any laws at all.

That same Prime Minister of that quotation a week ago said today, in response to a question dealing with legislating the postal workers back to work, "we cannot legislate CUPW back to work because that is what they want." That is a total inconsistency within a week. I submit that these are political games.

● (2020)

Canadians are hurt badly by any essential service strike, but particularly by this strike. In 1978 the interest rates small businessmen had to pay were between 7 per cent and 10 per cent. They have to borrow money when they cannot depend on day to day mail delivery. Small businesses depend on day to day mail delivery for their cash flow. Today that interest rate is 20 per cent. Small businesses are paying somewhere around 21 per cent, 22 per cent and perhaps 23 per cent, and the government is sitting back and saying, "We cannot deal with the situation because we must be fair." Yet all the reports, including one by Judge Rene Marin's commission of inquiry, have concluded that there are serious problems within the Post Office. For example, the Post Office has a deficit this year of $457 million. The study estimated an annual loss due to theft, arson and vandalism in excess of $4.3 million. For example, between 1975 and 1979, $10 million in government cheques were lost in the mail.

One of the demands CUPW is making is that there not be cameras to show people stealing and vandalizing, but that is what they have been doing, according to the report by Judge Rene Marin. I believe the government should start being consistent and start being tough with the union because the union's demands go beyond its needs. Even according to the union, the monetary problems have been solved, yet the union is trying to hold the Canadian public to ransom. It is doing just that, and Canadian industry is losing to the tune of nearly $10 million a day. Unemployment is affecting nearly 10,000 workers a week as a result of the postal strike. Businesses are dropping like dead flies off the ceiling through bankruptcy as a result of being robbed of the essential service of day to day mail delivery.

I am not suggesting that we should eliminate the right to strike in essential services right across the board, although that is the wish of the majority of Canadians. However, I believe we should suspend the right to strike in essential services until this government has stopped dealing in an ad hoc, hit and miss way with postal strikes and with strikes in other essential service sectors. The right to strike should be suspended until this government has come up with a policy to reduce the number of strikes and the possibility of strikes taking place in the essential sectors of our economy. It should introduce legislation dealing with sector bargaining, for example, or providing that at least 51 per cent of the rank and file members vote in favour of a strike, instead of just a select few who speak on behalf of all 23,000 postal employees.

Perhaps the government should introduce such legislation as the Taft-Hartly Act in the United States which would postpone a strike date by 60 days until negotiations can take place.

In closing my remarks this evening I urge the government to take specific action in this matter and to stop dealing with these very serious strike situations in this country on an ad hoc basis. The government should come up with a full-fledged, long-term policy which would at least reduce the hardships which are being faced by all Canadians as a result of strikes in essential services in this country.

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I point out to the hon. gentleman opposite that although the legislation he referred to was introduced by a Liberal administration in 1967, it was passed with the support of all three parties of this House.

Mr. Knowles: Hear, hear!

Mr. Kelly: That is something he should remember. He should remember too that the Public Service Staff Relations Act created 80 bargaining units, each of which have the option of choosing one of two dispute resolution methodologies, either of which the employer must accept. There is no option whatso-

ever on the part of the employer. One dispute resolution method is final binding arbitration; the other is known as the conciliation-strike method.

● (2225)

The Public Service Staff Relations Act imposes an additional requirement on groups which choose this latter strike method. The additional requirement is that members of the group who perform duties necessary in the interests of the safety and security of the public do not have the right to strike. However, to date, and I would point this out very strongly to the hon. member opposite, there has been no contention that the inside workers of the Post Office have duties which are necessary in the interest of the safety and security of the public. Specifically, then, the inside workers of the Post Office are a group that the Public Service Staff Relations Act envisaged as having the right to bargain collectively and engage in strike action if necessary to resolve a dispute with their employer.

I should also like to take this opportunity to correct a misbelief held by some that Treasury Board or the government selects the chairman of the conciliation board. The truth is that unless the parties, in this case Treasury Board and CUPW, agree on a chairman, he or she is appointed by the chairman of the Public Service Staff Relations Board.

It should also be made clear that while the recommendations of a conciliation board chairman can be useful in assisting the parties to settle their differences, they are in no way binding on either party. For example, it is not unknown for one party or the other to reject a conciliation board report even, when one's own nominee has concurred with the recommendation.

In the present dispute, we have CUPW insisting that the employer accept without reservation the recommendations of the conciliation board chairman as a prerequisite to resuming negotiations to obtain further concessions which the chairman has not recommended. Mr. Speaker, the parties themselves must resolve this dispute. It may be that goal can be facilitated by the presence of a mediator, but it will not be facilitated by continuing the imminent possibility of back to work legislation. The sooner both parties realize it is their responsibility to achieve a settlement, the sooner a settlement will be achieved.

This is not to say that given a reasonable time to achieve this objective, the government would not act decisively to end the dispute if the continuation of the strike began to create a severe emergency. Everything that can be done will be done, Mr. Speaker, but the emphasis must be on the parties achieving a voluntary settlement.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, July 14, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

CONDEMNATION OF CREATION OF TWO TYPES OF POSTAL SERVICE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgency. In light of the fact that the government has established a double standard for postal delivery during the current strike, a standard which promotes subsidized courier service for wealthy clients of the Post Office, and because such service has not been made available to small business clients, most of whom have had to resort to courier dispatch at their own expense; nor has such a service been offered to lower income or needy Canadians, a growing and great majority of the population, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That the government be soundly condemned for creating two types of postal service in Canada, one for the rich and another for the poor.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

POSTAL STRIKE—CALL FOR RESTORATION OF SERVICE TO ALL CANADIANS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the fact that the Government of Canada has chosen to violate its own postal monopoly by contracting with private couriers to provide continued Priority Post services to favoured customers, and whereas many direct mail businesses, such as World Wide Industries of Richmond, British Columbia, are faced with laying off hundreds of employees immediately as a consequence of the government's incompetent tolerance of the national postal strike, I move under Standing Order 43, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the government admit to the catastrophe which it is causing for thousands of small businesses and their employees, and that it take immediate action to restore postal services to all Canadians, instead of giving favoured status only to wealthy customers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

INVESTMENT PRACTICES OF ALBERTA GOVERNMENT'S HERITAGE FUND—MOTION UNDER S.O. 43

Mr. Ralph Ferguson (Lambton-Middlesex): Madam Speaker, I rise on a matter of urgent and pressing necessity. Whereas some great Canadian companies such as Petro-Canada, Dome, Seagram and the CDC are showing their faith in the entrepreneurial spirit by Canadianizing the petrochemical industry through astute business takeovers, and whereas the Alberta government has seen fit to invest its Heritage Fund in no risk, low yield bonds, I move, seconded by the hon. member for Cardigan (Mr. Campbell):

That this House condemns the Alberta government and its Premier for not investing its energy royalties in the future of Canada's oil and gas industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POST OFFICE

POSTAL STRIKE EFFECT ON FLORISTS—CALL FOR RESTORATION OF SERVICE—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Postmaster General (Mr. Ouellet) himself has confirmed that before the current postal strike the Post Office made a sweetheart deal with its rich so-called priority clients to provide them with mail delivery during the strike at rates subsidized by the taxpayer. I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That the government move immediately to ensure normal postal service at normal rates for all Canadians, including the thousands of flower shops across Canada, such as "Hearts and Flowers" and others in Charlottetown, P.E.I., for

whom the strike is especially critical because they receive most of their orders by phone and, therefore, rely on the mails for payment.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR INSTITUTION OF MADE-IN-CANADA INTEREST RATE POLICY—MOTION UNDER S.O. 43

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas statements made by the Prime Minister (Mr. Trudeau) during his trip to Washington indicate that he now thinks that interest rates are too high, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House directs the Prime Minister to practise what he preaches and initiate a made-in-Canada interest rate policy to protect farmers, small businesses and home owners instead of merely waiting for Washington to do something about it.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

POSTAL STRIKE—ACCEPTANCE OF MEDIATOR BY BOTH PARTIES—MOTION UNDER S.O. 43

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise under the usual provisions of Standing Order 43. In view of the fact that the Canadian Union of Postal Workers has accepted a federally appointed mediator, I move, seconded by the hon. member for Niagara Falls (Mr. MacBain):

That this House congratulates both sides in the postal dispute for demonstrating good sense despite the interference of members of the opposition who have hampered negotiations by advocating that Parliament legislate an end to the strike, and that this House begs those members from the Conservative benches who advocate greater government interference and tinkering and regulation, to keep their noses out of this matter.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

DEMAND FOR RESTORATION OF SERVICE TO SMALL BUSINESSES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, in view of the fact that yesterday's revelation of the offer made by Canada Post prior to the postal strike guaranteeing the delivery of mail for big businesses and financial institutions, subsidized by the taxpayer, only further confirms the government's complete disregard for the difficulty that this postal disruption imposes on the small business sector and other Canadians not considered as priority clients by the Post Office, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

• (1410)

That this House instruct the government to take immediate steps to ensure that the small business sector and other Canadians most unable to absorb the costs and hardships of this current round of essential service disruptions be guaranteed regular mail delivery at normal rates and, failing this, that the government at least allow small businesses to suspend remittance of employee income tax deductions, pension plan contributions and UIC premiums until full postal service has been restored.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EFFECT OF STRIKE ON SERVICES PROVIDED BY PHYSICIANS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. At the present time a physician in my constituency is facing a very serious problem in administering to his patients, many of whom are required to take correctional pain therapy using special medicines obtained from Germany, the United States, Toronto and Vancouver, and his supplies for these patients are held up in the mails. I therefore move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the government make arrangements forthwith to effect the delivery of these urgent medicines at all physicians similarly affected in Canada, preferably by the immediate restoration of full mail service.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ADMINISTRATION

MANITOBA REPRESENTATION IN CABINET—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, small businesses in greater Winnipeg and in Manitoba in general are suffering from very serious cash flow prob-

lems brought about by the present postal strike. The Minister of Employment and Immigration (Mr. Axworthy), the only minister in the federal cabinet from Manitoba, is not returning calls from affected small businesses, nor is he prepared to state his position in reference to the strike.

I therefore move, seconded by the hon. member for Provencher (Mr. Epp):

That the Prime Minister appoint a new member to his cabinet who will be responsive to the needs of the people of Manitoba, answer his telephone calls and assist in a return to normal postal service for the small businesses of Manitoba, not just for the rich corporations as is the case presently.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

CALL FOR RESTORATION OF FULL SERVICE—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, small enterprises with business dependent on a functioning Canadian postal service, such as Beaven's Custom Cannery in Summerland, B.C., and the businessmen of Oliver, B.C., who have expressed their distress through the Oliver Chamber of Commerce, all demand resumption of service. Therefore I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That the Postmaster General instruct the Canada Post Office to demonstrate the same concern for small-town customers as it has done for its larger, city-based customers to whom it offered priority service at normal rates during any work stoppage, by moving resolutely to restore full postal service.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR RESTORATION OF ORDINARY MAIL SERVICE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Post Office is honouring its contract with the rich and wealthy who can afford other methods of mail delivery but doing absolutely nothing about the mail for the rest of the people, and whereas small businesses, ranchers and farmers must pay their employees, make instalment payments on income taxes, etc., etc.—in other words, they must have a cash flow or go under—I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That this House urges the Prime Minister to get off his arrogant perch, give some consideration to the every-day people for a change, and restore ordinary mail service for everybody, not just the rich.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

CALL FOR LEGISLATION TO PROVIDE PENSIONS TO ALL HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43 and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

That this House urges the government, in view of its stated recognition of the role of spouses working in the home, to bring before the House legislation to provide pensions for all homemaker spouses, in their own right, equivalent to those earned by contributors to the Canada Pension Plan, thus recognizing in full, for pension purposes, the contribution to our society made by those who work in the home.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSTAL STRIKE—OFFER SENT TO PRIORITY POST CUSTOMERS

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Postmaster General. I should start by indicating that we on this side of the House are extremely glad to see that both sides have accepted the proposal to return to bargaining if the mediator is successful.

Some hon. Members: Hear, hear!

● (1415)

Mr. Bosley: I might say it is extremely doubtful the government would have even offered to go to mediation unless the House were sitting this week.

Some hon. Members: Hear, hear!

Mr. Bosley: Madam Speaker, the Postmaster General yesterday indicated he was not even aware of an offer made June

29, before the strike began, by management in his department who sent a letter to Priority Post customers, those rich enough to afford it. That letter guaranteed normal service at normal rates during the strike, with any additional costs incurred to be borne by the government. I repeat that the minister said yesterday he was not aware of it.

Could the Postmaster General please explain to this House how he justifies guaranteeing and subsidizing mail delivery for the rich and powerful, while he ignores or, worse, bankrupts ordinary Canadians?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, let me say that I totally disapprove of the line taken by the Leader of the Opposition—

Mr. Crosbie: I guess you do.

Mr. Ouellet: —yesterday, and by the hon. member today in saying we divide the service and give different treatment of various kinds of Canadians. It is absolutely untrue and unfounded that we are subsidizing the rich in this country in relation to postal services.

Miss MacDonald: Only part of the time.

Mr. Ouellet: The reality is quite the contrary, Madam Speaker. We, as a government, took every step necessary to assure pensioners, indeed every Canadian who receives social benefit cheques, that they will receive them despite the strike. Indeed, we are subsidizing those services for those in need in Canada.

Some hon. Members: Hear, hear!

Mr. Ouellet: Secondly, we have a service called Priority Post which is addressed not only to the rich and to large firms in Canada, but to a number of Canadian businessmen, large, medium and small. They are paying a premium price for that type of service, on which the Post Office has made a good profit in the past and hopes to do so in the future.

The Post Office has taken every step to protect its clients, to keep them rather than to lose them to private couriers. And I want to say, Madam Speaker, despite the heckling on the other side by those who do not want to listen to the answer, that we are not subsidizing the rich. We are doing our utmost to keep a profitable service for the Post Office, one which brings in substantial revenue, and we intend to continue to do that despite this very regrettable line taken by the Leader of the Opposition yesterday.

NEED FOR RESTORATION OF FULL SERVICE

Mr. John Bosley (Don Valley West): We are now in a position, Madam Speaker, where the Postmaster General finally admits that he has indeed maintained services for those parts of the system which he describes as profitable, while leaving everyone else who depends on the mail to hang out to dry.

Some hon. Members: Hear, hear!

Mr. Bosley: Madam Speaker, I would like to get an answer to a question we asked last week. In defence of not bringing in back to work legislation, the answer we were given was that any strike, anywhere, is bound to hurt someone. Now that we know whom the government will hurt and whom it will protect, will the Postmaster General please tell this House how long he intends to continue a practice such as this before he will recognize that the public interest is not just those who can afford courier services or Priority Post, and that thousands of ordinary Canadians desperately need their mail contract honoured and their mail service restored?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, only a few days ago, on July 7, the hon. member for Provencher asked me whether we would attempt to maintain postal services in the small rural post offices in Canada. I told him then that of course we would try as much as possible to maintain services in those small post offices since the government is committed to deliver pension cheques, family allowances cheques and various social security cheques to the most needy Canadians. Notwithstanding the Progressive Conservative opposition, we will try to honour the contracts we have signed with Canadian companies—large, medium-sized or small—which use the Priority Post and pay a high price for that service.

● (1420)

[*English*]

REQUEST THAT SERVICE BE RESTORED BEFORE ECONOMIC SUMMIT MEETINGS COMMENCE

Mr. John Bosley (Don Valley West): Madam Speaker, my final question is directed to the Postmaster General who at least finally has the honesty to admit that he is trying to divide postal customers into two classes—first class and the rest of us.

Some hon. Members: Oh, oh!

Mr. Bosley: Since the government is headed by a gentleman who presumes these days to roam the world telling the rich nations that next week's economic summit meeting should focus on help for the poor nations, will the Postmaster General guarantee to ordinary Canadians that the Government of Canada will practise in Canada what it preaches abroad, that normal service at normal rates for all will be restored before next week's summit meeting, not just a continuation of the service for those who are least hurt and can afford a strike the most?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, in my opinion this persiflage simply does not help solve the current labour dispute. The irresponsible attitude of the Leader of the

Opposition and of the hon. member for Don Valley West can only encourage the Canadian Union of Postal Workers not to return to the bargaining table and not to negotiate a new collective agreement. If our negotiations with the postal workers have not progressed very far until now, the fault lies with the Leader of the Opposition and the hon. member for Don Valley West, Madam Speaker, who rather than say—

[*English*]

Mr. Baker (Nepean-Carleton): Balderdash!

Mr. Kempling: You are silly.

Mr. Huntington: Nonsense!

Mr. Ouellet: Madam Speaker, when we say the truth to members of the opposition, they start yakking and yakking because they do not like it.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: I would invite the minister to complete his answer.

Mr. Ouellet: To my mind, Madam Speaker, the Leader of the Opposition was taken in by Mr. Parrot. Instead of urging the postal employes to accept our offer of $25,000, he led them to believe that he would force the government to legislate them back to work. In my opinion, when it comes to irresponsibility, the attitude of the Leader of the Opposition puts him on the same level as Mr. Jean-Claude Parrot.

[*English*]

ADVICE FOR PEOPLE WHO CANNOT AFFORD PRIORITY POST

Hon. James A. McGrath (St. John's East): Madam Speaker, a government which would provide postal service to the corporate elite during a legal strike can hardly be called responsible.

Some hon. Members: Hear, hear!

Mr. McGrath: Neither can that be construed as being conducive to successful labour negotiations. I want to ask the Postmaster General, who has the responsibility here, what advice he has for the thousands of Canadians who cannot afford Priority Post, who cannot afford this special privilege service, but who, as Canadians, are entitled to equal treatment from their Post Office? What advice does he have for these Canadians who are—

Some hon. Members: Louder, louder!

Mr. McGrath: If it is necessary to get the message across, I will yell louder. What advice does the Postmaster General have for the thousands of Canadians who are being forced to close the doors of their small businesses and to lay off their employees because they cannot afford this elitist Priority Post service?

Some hon. Members: Hear, hear!

• (1425)

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am very pleased that the hon. member for St. John's East has asked this question because I can tell him that, in fact, Priority Post customers include a number of small businessmen from Newfoundland.

Mr. Siddon: Name them.

Mr. Ouellet: They include prescription optical suppliers, photographic dealers, small retail stores, drug companies, logging equipment dealers, television and stereo dealers, rental suppliers, and a small butler from Newfoundland. All of these businessmen, who are not large companies, are depending on a service for which they pay much more than 17 cents a letter. They are paying dollars for this type of service. These are services from which the Post Office is making a profit and from which we hope to make a profit in the future; but with the help of the Conservative party the future of Crown corporation is being destroyed.

Some hon. Members: Oh, oh!

Mr. Ouellet: It is no wonder that the Post Office has deficits.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, it is incredible that the Postmaster General of Canada would stand in his place and espouse a position which says that "if you are prepared to pay the price we will give you the service". That is the line he is taking in this House. I say to him that there are people in this country who cannot afford to pay his price for postal service and by the thousands they are wiring members of Parliament every day because they are going out of business.

Some hon. Members: Hear, hear!

EQUITY OF TREATMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, the Postmaster General has had experience in this area. He knows that the acceptance of mediation does not necessarily lead to the bargaining table. We are now into the third week of this costly strike. What is the minister prepared to do to ensure equity of treatment to Canadians who are suffering? What is he prepared to do for these people, since he is evidently prepared to serve the corporate elite who are well able to sit out this strike?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the very reason we can keep this service going is because Priority Post

normally goes directly from the customer to the nearest transportation point. It does not go through the Post Office and there is no sorting involved. This is a service which has been in existence for years that permits clients who wish to enter into a contract with the Post Office to have their mail picked up at their place of business and be delivered directly to another point. We have been able to perform this service for a number of years, and we hope to continue performing it.

The consequence of the irresponsibility of the Leader of the Opposition and of some of his colleagues has probably made it impossible to continue the performance of this service.

Some hon. Members: Oh, oh!

Mr. Ouellet: Madam Speaker, the hon. member has asked me for my advice to settle the current dispute. The answer we can give to the public who are suffering from the strike is that there is a possibility to have a negotiated settlement between the parties involved. A mediator will be appointed and, hopefully, members of the opposition party will remove themselves from this conflict and not put their noses in it, allowing the parties to negotiate, rather than intervening very negatively in the way they have been doing thus far.

* * *

● (1430)

AUTOMOTIVE INDUSTRY

DEFICIT ON MANUFACTURED PRODUCTS—FUTURE OF BUDD COMPANY IN KITCHENER, ONT.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would have asked a question of the Minister of Industry, Trade and Commerce, but I will ask it of the Minister of State for Trade. I think he would be interested in it. As he knows, we are suffering a considerable deficit on manufactured products. There are two situations currently being carried on in Canada which further erode our trade position.

First of all, will the minister look into the persistent rumour that Budd automotive of Kitchener will close, and that the frames it makes for mid-sized cars will be brought into Canada from a U.S. manufacturer? Will the minister bring to the attention of General Motors the fact that the trade balance on manufactured products is at an all-time high, in terms of a deficit to Canada, and that the auto pact requires that a fair share be manufactured in this country, and we will not accept the decision to close Budd?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, since the domestic automobile industry comes under the jurisdiction of my colleague, the Minister of Industry, Trade and Commerce, I am not aware of the specific instance alleged by the hon. member. I will discuss that with the minister upon his return to the House. I do hope, though, that the hon. member has noticed, in the last couple of months, that a Canadian automobile company, General Motors, assisted by the Government of Canada, negotiated the largest transaction in a foreign market for automobiles in the history of Canada. That was a $100 million plus deal: a sale of 13,500 cars to Iraq.

Some hon. Members: Hear, hear!

Mr. Deans: Madam Speaker, that information will be invaluable, I am sure, given the fact that all of the frames for all of the cars will be manufactured in the United States. That is really a silly answer.

CROSS-BORDER TRANSFER OF PRODUCTS

Mr. Ian Deans (Hamilton Mountain): Now let me ask the minister a question in relation to yet another very difficult situation. Wabco, located in Stoney Creek, has been on strike for nine weeks. There have been no meetings. The parent company in the United States is filling every single order in Canada from its U.S. parent facility. Will the minister look into how it can be that companies can so easily transfer their products across the border, thus undermining the Canadian public, undermining the Canadian employees, and undermining Canada's economy at the same time?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, I want to correct a statement that the hon. member just made. One of the reasons that Canada was able to obtain that contract with Iraq was the fact that we guaranteed that those cars would be manufactured and assembled here in Canada, and not in the United States. That is the reason we got a contract.

Some hon. Members: Hear, hear!

Mr. Lumley: With respect to the second part of the hon. member's statement, I will confer with my colleague, the Minister of Industry, Trade and Commerce.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MAJOR GENERAL CHATICHAI CHOONHAVAN, MINISTER OF INDUSTRY, THAILAND

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Major General Chatichai Choonhavan, Minister of Industry for Thailand.

Some hon. Members: Hear, hear!

* * *

POST OFFICE

POSTAL STRIKE—DURATION OF HARDSHIP

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Postmaster General, who is now getting briefed by the President of the Treasury Board on what the postal strike is all about.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Yesterday he knew nothing about the letter with respect to Priority Post. Today he is an expert. In 1978, after one day, the Postmaster General brought in legislation mandating the CUPW back to work. This year he is talking about extending the strike for an indefinite period. Since he is applying a double standard—the Post Office is now in effect providing a service for the wealthy of this nation and not for the average citizen, the pensioner, the poor and the rural person—how long does the Postmaster General think the hardships, which the Prime Minister acknowledged yesterday were being endured by the average citizen in Canada, can be allowed to continue? Does he believe, as does the President of the Treasury Board, that this strike can continue all summer until Parliament reconvenes in the fall, or is it his opinion that some action will have to be taken within a reasonable period of time? He knows that if it was not for the action taken by our party, there would be no development in terms of mediation.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: The only reason they are back is because of our side.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I would like to indicate to the hon. member that, if he insists on talking about double standards, I will remind him that the government has taken every step to deliver the socioeconomics cheques free to all of the pensioners and the recipients. In this regard the Post Office has worked out an agreement with the letter carriers and with other unions of the Post Office to make sure that these cheques will be delivered. Therefore, indeed, we are doing this free of charge to our customers.

Some hon. Members: Hear, hear!

Miss MacDonald: Who are your customers?

Mr. Ouellet: When we give information, the Conservative members of Parliament do not like that. The other service that the hon. member talks about is a service for which customers pay a much higher price than 17 cents. There is, indeed, a big difference between the two, and the government makes no apologies for having taken every step to make sure that the poor of this country will continue to receive their cheques through the services of postal employees.

Some hon. Members: Hear, hear!

Mr. Ouellet: In relation to the second part of the question—

Madam Speaker: Order. There has to be some kind of limit to answers.

MINISTER'S VIEW ON LENGTH OF STRIKE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, on the basis of the answer of the Postmaster General we now know what he is, but we do not know what the price is. I want to ask the Postmaster General a supplementary question in terms of his statements in 1978, where he said the government staunchly believed that public interest must override personal interest, and it was a fundamental belief of the government that when an individual's right becomes a public wrong action has to be taken. I want to ask the Postmaster General, as the person who has responsibility for the Post Office, and in view of the Prime Minister's admission yesterday that there are widespread effects of this strike on the average citizen, how long does he anticipate that this strike will be able to proceed. Will he answer that simple question, or does he think that that matter is not of enough importance to the Postmaster General of this country? How long can we wait for a settlement?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, there is one thing that I could say in answering this: as long as the opposition is going to stay in Parliament, with the type of questions it is putting, there will be absolutely no settlement, because—

Some hon. Members: Oh, oh!

Mr. Ouellet: —their attitude is fuelling the conflict and the confrontation.

Some hon. Members: Hear, hear!

Mr. Ouellet: I can predict, for the hon. member, that the minute that the union membership, and particularly the union leader, understand that there will be no way out for them via legislation to bring them back to work, they will then understand that the only course for them to follow is to go back to the table to negotiate.

Some hon. Members: Hear, hear!

Mr. Ouellet: We hope that this will become very clear in the coming hours, and that they will realize that there will be no legislation, and that they will then be able to go back to the table and negotiate with the Treasury Board nominees who are waiting for them 24 hours a day.

Some hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

COLLECTION OF TAXES FROM SMALL BUSINESSES—EFFECT OF POSTAL STRIKE

Mr. Jack Burghardt (London West): Madam Speaker, my question is directed to the Minister of National Revenue. As the minister is well aware, because of the postal strike many small businesses are experiencing cash flow difficulties. Would the government be prepared to assist some of these businesses by relaxing the collection of federal funds such as sales tax, income tax deductions and the like from these affected businesses?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, my department is quite aware of the difficulties that small businessmen find themselves in at the present time. I have been consulting with my colleague, the Minister of State for Small Businesses and Tourism. I can assure the hon. member that we have been in touch with the Canadian Federation of Independent Businessmen, and the Canadian Manufacturers' Association, and that we will be treating remittances on an individual basis.

● (1440)

I can assure small business of every possible latitude under the law. We understand their difficulties and will be taking them into consideration. There are arrangements for them to make their payments at chartered banks or offices of my department across the country. We will provide every possible latitude under the law.

* * *

CONSUMER AFFAIRS

PAYMENT OF INTEREST ON CREDIT CARD ACCOUNTS DURING POSTAL STRIKE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs but it touches on the minister's responsibility as Postmaster General so it will give him a real chance to show whether he is prepared to treat all Canadians fairly.

My question is in connection with what people are to do about interest charges on their credit card accounts during the postal strike. In view of the fact that only two provinces, Quebec and Alberta, have laws which protect consumers from paying interest charges until they know what the particulars are, can the minister say whether the federal government is considering any federal consumer protection law which will give all Canadians a chance to avoid paying interest on credit card accounts during the postal strike?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, this question re-opens the issue of whether it would be appropriate to have federal legislation in the area of consumer credit. The hon. member will recall that a few years ago, the liberal government introduced such a bill, which was then strongly criticized by the Progressive Conservative Party. If the hon. member can assure me that his party has changed its mind in this regard and that the Conservatives now have a new policy in this area, it would be very interesting to discuss this, and we could perhaps introduce a similar bill to the one which we put forward a few years ago to protect all Canadian borrowers.

[*English*]

REQUEST THAT MINISTER INTERCEDE WITH BANKS AND CREDIT CARD COMPANIES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, the minister may be aware that the banks, considering themselves under federal legislation, are ignoring the two provinces where consumer protection laws are in place. We need something much stronger. We need something from the federal point of view, which will apply to all Canadians. In the meantime will the minister intercede with the banks and credit card companies on behalf of many unwitting consumers across the country who have been nailed by high interest rates, and ask them to forestall interest charges on overdue accounts on the understanding that they will be paid in full within 30 days upon restoration of mail service in the country?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I know that several of my colleagues are concerned about this issue. I shall certainly refer the suggestion made by the hon. member to the Minister of Finance, but I understand that the Minister respnsible for Small Businesses and the Minister of State (Finance) have already examined the matter.

* * *

[*English*]

HEALTH AND WELFARE

CABINET CONSIDERATION OF COMMITTEE REPORT UPON CHILDREN'S NEEDS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is addressed to the Minister of National Health and Welfare, and I hope that the Minister of Justice will return for my supplementary question.

I assume that the Minister of National Health and Welfare has now had time to read the report of the health and welfare committee which was tabled last week, containing urgent recommendations for federal action on behalf of Canada's children. Particularly since the summer is upon us and we are fearful that this report will be buried, will the minister tell the House when this report will go to cabinet and what action she intends to take, personally, particularly with regard to establishing a children's bureau or secretariat that will advocate on behalf of Canada's children?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am now examining the report which was tabled in the House of Commons only at the end of last week, and unfortunately, since the House is still sitting this week, we have had to cancel today a working meeting scheduled for this afternoon. It will take us a few weeks to put into practice the various recommendations, evaluate them, examine the costs, and so on, and it will not be possible to report to the House immediately.

[*English*]

REQUEST THAT MINISTER TAKE CHARGE OF PROGRAMS FOR CHILDREN

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is addressed to the Minister of Justice in his capacity as Minister of State for Social Development. In our view Canada's children deserve an independent minister who will be their advocate and will report directly to cabinet, and will provide an independent budget for a children's bureau. Since the main function of the ministry of social development has been to cut back on social welfare programs rather than to initiate new programs such as are required for children, will the minister tell the House if he agrees with the recommendations of the health and welfare committee that he, himself, should be in charge of programs for children? If so, what does he intend to do to improve the lot of Canada's children?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have nothing to add to what the Minister of National Health and Welfare has replied. The report was received last week and we are in the process of studying it.

* * *

FISHERIES

LIMITATION ON SIZE OF REPLACEMENT VESSELS

Miss Coline Campbell (South West Nova): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. In view of the fact that the Department of Fisheries and Oceans uses fish stock quotas as a management tool in the Atlantic fisheries and has publicly expressed its commitment to improving the quality of Canada's fish products, why has the minister decided to implement a policy of limiting the size of replacement vessels to the size of those they replace, when this policy can be shown to be an inefficient fisheries management tool and will limit fishermen's ability to adopt technological improvements which may require larger vessels, and therefore actually interfere with the department's policy of improving the quality of catches?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, it is a well known fact for those who follow these matters, as I am sure the hon. member does, that the catching capacity considerably exceeds the biological capacity of our oceans. We are endeavouring to keep some control over the expansion of the fisheries.

There are some cases, however, where it would not be logical to maintain a foot-by-foot replacement policy. Following representations by a good number of members on both sides of the House, in particular on this side, I have asked my regional directors to look at where adjustment can be made and a tolerance be acceptable which in fact does not so much increase the capacity of catching as the quality enhancement of the catch.

POST OFFICE

DELIVERY OF TAX REBATE CHEQUES TO YUKON RESIDENTS

Hon. Jake Epp (Provencher): Madam Speaker, I should like to address my question to the Postmaster General. Approximately 1,000 tax rebate cheques for residents of the Yukon are held up in the Vancouver district taxation office. These northern residents cannot receive delivery of their cheques. Just today in question period the Postmaster General reconfirmed the delivery of socioeconomic cheques to Canadians. The government has therefore made arrangements for delivery of UI cheques and pension cheques. What arrangement has the Postmaster General made for delivery of tax rebate cheques?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, as I answered in the House last week, we have made arrangements for taking the refund cheques from the offices of my colleague, the Minister of Supply and Services, and distributing them to our district taxation offices across the country. Unfortunately we do not have those in the Yukon Territory and the Northwest Territories. I am consulting with the Minister of Supply and Services to see if there is some way we can efficiently do that. It is not as easy, though, because of the way refund cheques are processed. They are processed in a much different way from the normal social security transfer payments. I am actively working to see if we can come up with a means of doing that. In the meantime, if there is an emergency situation and somebody needs a cheque for an emergency, then I think we can find ways and means of getting it for them.

TELEGRAM OFFERING SERVICES OF YUKON GOVERNMENT

Hon. Jake Epp (Provencher): Yes, Madam Speaker, there is an emergency when 1,000 residents of the Yukon are waiting for cheques. They are now paying 20 per cent at the bank for money. That is the emergency.

In view of the fact that the district office of the minister's department in Whitehorse was closed, and therefore those cheques cannot now be distributed from that point, the hon. Chris Pearson, leader of the government of the Yukon, has telexed to the minister offering any employee of his government, any service and any office, in order that those cheques can be distributed. What has the minister replied to Mr. Pearson? What arrangements have been made?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I have not seen that telegram, but when I do see it I will be glad to respond and take Mr. Pearson up on any offer to which we can reasonably respond.

Oral Questions

AIRPORTS

WINNIPEG INTERNATIONAL AIRPORT—RELOCATION OF RUNWAYS

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Transport. Last year a study entitled "The Winnipeg Area Airport System Study" was completed by the Department of Transport. It indicated that two of the existing runways at Winnipeg International Airport would be moved as part of a key expansion program for the whole aerospace program in Manitoba. That of course, will fit in with the location of the $14 million hangar that is going to be established by PWA and some 50 additional jobs as the start of an expanded role for Manitoba's aerospace industry. Will the minister indicate whether his department has given the go ahead for the movement of these runways so that this aspect of the Manitoba aerospace industry can go ahead and, hopefully, we in Manitoba can have more jobs in the aerospace industry?

● (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker. I am glad the hon. member prefaced his question the way he did, because there is a master plan for the Winnipeg airport. It is the result of ample consultations with the public. Everyone was invited to come and make his case. In this master plan, an area is reserved for hangars. The PWA company has not found that location to be convenient to its own use. For a number of months the discussions have been going on between my officials and Mr. Eyton. I am a bit hesitant because I have received conflicting information. I have a confirmation from the airline that no agreement has been reached and consequently they will delay construction of the hangar. However, I have an indication from the government of Manitoba that PWA will now agree to build the hangar on the west side. If my friend will be patient I will attempt to find out who is right and who is wrong in this matter, and report to him urgently.

EXPANSION OF AEROSPACE INDUSTRY IN MANITOBA

Mr. Jack Murta (Lisgar): I think the Minister of Transport will probably find in his investigation that the position the Manitoba government has taken is closest to being the correct position. He should keep uppermost in his mind the fact that it is more than a question of moving runways and a question of noise which was talked about in the report. What is involved at the present time is an expansion of the aerospace industry in the province of Manitoba. That is the key. That is the area the minister and his department should zero in on and everything should be done to facilitate that area.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, we have already zeroed in on that a number of times with great sympathy and eagerness in order to ensure that the economic advantage goes to Winnipeg and Manitoba. At the same time, you cannot simply for the sake of that specific project, however important it appears, say that the master plan goes out the window, and kill the efforts which have been made over a period of time to determine the best way in which the Winnipeg airport should be developed. It is a balance between advantages and disadvantages, as we so often find in life.

* * *

INCOME TAX

TAX AUDIT OF NEWFOUNDLAND FISHERMEN—TELEGRAM SENT BY UNION

Hon. John C. Crosbie (St. John's West): My question is for the Minister of National Revenue. The minister knows that the fishery in Newfoundland to date this year is not very favourable. On June 23, in connection with tax assessments on fishermen, he told me that 1,457 fishermen in Newfoundland had received 50 per cent garnishees of all their earnings. He said that 50 per cent had been contacted in order to enter into reasonable arrangements for payment. The minister received a telegram from the Newfoundland Fishermen, Food and Allied Workers Union on Friday last advising him that the department is still automatically requiring a 50 per cent payment of all fishermen's earnings, despite their repeated representations and hardship cases. They say they are unable to get any favourable reaction from National Revenue. Will the minister advise what action has been taken by his department in view of this telegram from the union, which represents nearly all of the Newfoundland inshore fishermen?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I have received a representation from the Newfoundland federation of fishermen. I and my officials will be meeting with the union tomorrow morning to go into the matter in some depth and to see what exactly is the problem. I repeat that we are not firm at all on the 50 per cent garnishee. We have come to arrangements with individual fishermen when it has been brought to our attention. We want to treat each individual case as a separate case, and treat each one on its merits. There is no across the board policy that everyone must pay a 50 per cent garnishee. I will be meeting with the union tomorrow morning, and hopefully as a result of that we can clarify these difficulties.

MEASURES TO ASSIST INDIVIDUALS

Hon. John C. Crosbie (St. John's West): Madam Speaker, the government is unable to deliver the mail but it certainly appears determined to collect its taxes. In view of the remarks by the minister earlier today that he is going to take steps to see that small business and the like affected by the postal strike will not have to make their tax payments on time and pay the interest penalties as a result of that,—I presume that is what he is arranging, and the interest is at least 12 to 14 per cent if you are not paying your taxes—will the minister let the House know tomorrow or the next day what steps he has taken to stop this very severe treatment of taking over 50 per cent of the gross earnings of the fishermen in Newfoundland who

admittedly must owe taxes or this would not be a proper legal procedure? Also, will he report what steps he is taking to relieve them as well as the small business community from some of these burdens? Will he inform the House later in the week just what steps are being taken?

Hon. William Rompkey (Minister of National Revenue): With regard to individual fishermen, Madam Speaker, if the hon. member has individual problems where fishermen have been assessed and they find it an undue burden, will he contact me personally, let me know what they are, and give me a list of names? I will ensure that my people are in touch with them directly in order to reach an adequate pay-back period with them.

* * *

PIPELINES

ALASKA GAS PIPELINE—FINANCING OF PROJECT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Secretary of State for External Affairs. The minister knows that the pipeline consortium which proposed to build the Alaska highway natural gas pipeline is trying to get financing in the United States. Yesterday in Anchorage, Alaska, James Edwards, the Energy Secretary in the United States, was quoted as saying that the Reagan administration:

—"has some real concerns" about asking U.S. consumers to pay for current construction on the project's Canadian leg regardless of whether the most difficult segment across Alaska is ever completed.

The article further states that this, and I quote:

—is the first clear cut indication the White House opposes major elements of the financing package the pipeline's backers are developing.

The government promised that it had guarantees from the United States. It promised that Canadians would not end up paying for what is essentially an American pipeline. I would like to ask the minister about these ironclad guarantees and what he is going to do about the fact that it appears the Americans are backing out slightly with regard to their support for this pipeline.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I understand that the Prime Minister discussed this issue with the President on July 10. The discussion was positive. The President reaffirmed the commitments which he made during his visit here in March. We expect amendments to be introduced in the American Congress shortly which will attend to this matter.

QUERY RESPECTING EXPORT OF CANADIAN GAS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, with respect to that conversation with the United States the Canadian Press story reports, and I quote:

Reagan assured Trudeau the United States is "deeply interested in coming to an arrangement" about reducing acid rain, but said only that the administration "will continue to examine" problems associated with the pipeline.

That does not sound very positive or ironclad. Is the minister now prepared to say to President Reagan, Secretary Edwards and the U.S. administration, that unless they are prepared to help with legislation in the United States—and we all want to see the whole pipeline built—

Some hon. Members: Oh, oh!

Mr. Waddell: Maybe my friends don't, but if they will just listen—that the Canadian government is prepared to cut off at some point the exports of Canadian gas through the prebuild, that it is not open ended, that we will cut that off if the American government is not prepared to pass legislation in the United States to support the financing of the whole line?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the presidential assurances during the visit in March were given not only to the Prime Minister privately but, to my recollection, they were given in this very chamber and, I presume, heard by the hon. member. We are satisfied with the tone and content of our negotiations with the Americans on this subject at the present time.

• (1500)

SUGGESTED CANADIAN ACTION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have one final question. It is all very well for the minister to say that, and we heard the President. The fact is that here is James Edwards saying these things yesterday in Alaska, and we know of the conversation with Prime Minister Trudeau.

The American government has said it does not want American consumers to shoulder the burden of building a pipeline, part of which is the rest of the Canadian section. The minister must know that if we build that section and the Americans do not complete theirs, then the Canadian taxpayer will lose some $2 billion to $8 billion. What is he prepared to say to the Americans, beyond just saying in this House that we have some jelly-like assurances? What is he prepared to say? I would suggest something he can say. Will he say: We will not give you cheap Canadian gas unless you give us some guarantees that you are going to do something about building this whole line?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. member seems to misunderstand the tenor of our present negotiations with the United States. As I mentioned in my answer to his first question, we expect a package of legislative amendments to be introduced in the U.S. Congress shortly which we believe will provide for the financing problems, and it is because of that expectation that we do not have to engage in the kind of threats the hon. member was suggesting.

Petitions

PRIVILEGE

MR. FRIESEN—ALLEGED MISLEADING REPLY OF MR. AXWORTHY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, on May 28 I rose to ask a question of the Minister of Employment and Immigration (Mr. Axworthy) regarding his policy of an across-the-board promotion of immigration officers at Canada's major airports, and he responded, in part, as reported in *Hansard* at page 10012 of that date:

> Those were the discussions we had with the unions, and they are in agreement with the basic redrafting of the categories we now have implemented in the department.

My question of privilege is not a matter of a disagreement with the minister, or taking a different point of view; it is a fundamental matter of being able to believe the minister and whether he has accidentally or deliberately misled the House with the information he gave me in his answer of that day.

Yesterday I received by courier, priority or not I do not know, from the Canada Employment and Immigration Union a statement that refutes categorically the statement the minister made in the House. I quote just briefly from that letter to indicate that the minister misled me in the House in the answer he gave me. The official—

Madam Speaker: Order. I get the impression very clearly that the hon. member is entering into debate. There is a disagreement between what the hon. member thinks the minister has told him and what in fact are the facts. That does not constitute a question of privilege.

Furthermore, a question of privilege should be raised at the first possible opportunity. This question dates back to May 28 and, therefore, if it had been a question of privilege it must be settled on an urgent basis; otherwise neither the House nor the hon. member would be able to function. I think the fact that the delay is so long in itself proves that this is not a founded question of privilege. Therefore, I must rule that the hon. member does not have a question of privilege.

Mr. Friesen: Madam Speaker, on a further question, I received this letter only yesterday—

Madam Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. SKELLY—HEALTH PROBLEMS AND FINANCIAL LOSS ATTRIBUTED TO USE OF UFFI

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I wish to present a petition on behalf of a number of individuals requesting assistance from the government in meeting problems associated with health and financial loss over the urea formaldehyde problem.

* * *

[*Translation*]

CHARITABLE FOUNDATIONS

MEASURE TO ESTABLISH JULES AND PAUL-ÉMILE LÉGER FOUNDATION

Hon. Francis Fox (Secretary of State and Minister of Communications) moved that Bill S-23, to incorporate the Jules and Paul-Émile Léger Foundation, be read the first time.

Motion agreed to and bill read the first time.

* * *

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FOURTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved that the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Thursday, July 17, 1980, be concurred in.

Some hon. Members: Explain.

Mr. Beatty: Madam Speaker, as I rise today to move the motion for concurrence in the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments, I have in my hand Volume 1 of the Consolidated Regulations of Canada. Those members of the House who have taken the time to read Volume 1 from cover to cover, as I am sure most members have, will know there are some 775 pages in Volume 1 and that the volume weighs some 5.5 pounds. This is only one volume of a series of volumes of the Consolidated Regulations of Canada. In fact, there are some 18 volumes which all told include some 14,420 pages.

The contents of the Consolidated Regulations of Canada are probably not fascinating reading which most Canadians would have beside their beds each night to read before drifting off to sleep. They contain a number of regulations, a number of ordinances and other provisions which often appear from their titles to be a bit archaic. We have the Guardianship of Veterans' Property Regulations, the Dominion Water Power Regulations, the St. Andrews' Airport Zoning Regulations, the Flying Control Locks Order, just to give four examples of some of the regulations that are contained within these 18 volumes. Also included within these 18 volumes are regulations which affect every Canadian and touch every aspect of our lives, and often which are much better known to Canadians.

Parliament has granted to the government authority to regulate virtually every aspect of our lives, from the homes we

live in to the clothes we wear, the ability to open a business, the safety of our working conditions, from what we watch on television to whether we hear about the temperature outside in Celsius or Fahrenheit degrees.

In 1980 there were some 1,164 statutory instruments registered. Up to June 30 of this year there had already been 572 registered statutory instruments. Those were only the registered statutory instruments; countless more go unregistered each year.

My purpose today is not to argue or frighten people about the extent of government involvement in our day to day lives. That is an issue perhaps for another day. Nor is my purpose to argue that it is not often both proper and necessary for Parliament to give the government a grant of power to operate without having to come back to Parliament to obtain new legislative changes. It is proper, it is appropriate and it is necessary in very many instances that this be done. The case I want to make today on behalf of the standing joint committee is that if Parliament is to continue granting vast powers to the government which will enable it to act without seeking further approval from Parliament, we have the obligation to our constituents and to the people of Canada to ensure that those powers are discharged properly, that the rights and liberties of the subjects are protected, and that there is vigilance constantly exercised over the way in which the government is doing this.

It is absolutely essential if we are to discharge our responsibilities as members of Parliament that we look very carefully at the whole issue of delegated power and how we ensure that the rights of Canadians are not diminished as a result of our increasing tendency to give these vast grants of power to the government.

• (1510)

On Friday of this week it will have been one year since I tabled in the House of Commons the fourth report of the standing joint committee. I might mention that it is typical that the committee operates by unanimity. This is a unanimous report which is representative of the feelings of members of the committee from all sides of the House of Commons and the Senate. Because of the committee's method of proceeding whereby historically we have proceeded on the basis of consensus and unanimous agreement wherever possible, the government should be giving special attention to the recommendations in this fourth report, which represents probably the single most important report on regulatory reform to be presented to Parliament in the history of Canada. It is a report which commends itself to all members of Parliament. It is one which deserves urgent attention from the government.

As I say, one year ago this Friday this report was first tabled and brought to the attention of the government. The standing joint committee was asked to study the whole process of delegated legislation and to recommend what procedures and improvements could be made.

It might be useful at this point for me simply to explain what we mean when we talk about subordinate legislation or delegated legislation. Increasingly as we read legislation which is tabled in Parliament, we find that the government has also included clauses which give it power to make regulations to put into effect the policies contained in the legislation and to make those regulations some time after the legislation has been passed. It does so without having to come back to Parliament to ask for changes in the legislation.

All delegated legislation draws its authority from Parliament. It draws its authority from a specific statute, unless it is made under the Royal prerogative, which is very uncommon. Consequently, when the government is given by Parliament carte blanche authority to regulate in a particular area, it is essential that we have procedures in place which protect Canadian rights and liberties and ensure that Parliament has not simply given up its responsibility to exercise proper scrutiny over the rights of all Canadians.

When we recognize the fact that this Parliament has powers extending even to the life and death of Canadians, to questions relating to war and peace, and to whether or not Canadians should have jobs or homes of their own, we realize that our obligation as members of Parliament to oversee the discharge of those powers is very important indeed. If we fall down on the job, if we do not discharge that oversight properly and simply grant power to government where there is not proper scrutiny and when Canadian rights are not protected, then we render Parliament irrelevant and do a serious injustice to the people we are here to represent.

As I debate this report, I want to pay tribute to the members of the standing joint committee because the report itself had its genesis prior to my membership on the committee. It was well under way at the time I became chairman of the committee. I want to express my thanks to each of the members of the committee who contributed so much in terms of drafting, in terms of research and in terms of trying to make this information available to the public and the Parliament of Canada, information which we feel is very important to improve Parliament's functioning and to ensure that the rights and privileges of Canadians are properly protected.

I want also to pay special tribute to Mr. Graham Eglington, who was committee counsel and whose tireless efforts were essential in our being able to present a report which I feel is excellent.

I would like also to mention that the committee stands on the shoulders of two giant former parliamentarians. One of them is well known to every member of the House of Commons. I refer to Mr. Ged Baldwin, former House leader for our party and a former House of Commons chairman of the standing joint committee. The other gentleman, who was an outstanding parliamentarian and perhaps the outstanding scholar in Canada on constitutional matters, is Dr. Eugene Forsey, a former senator. These two gentlemen did a tremendous amount to make the committee what it was, to ensure that it did its job properly and to pave the way for us to present the report which is being debated today.

I think it is appropriate that members of the committee and members of the House of Commons should ask me, as I move

concurrence in the report today, why I waited one year almost to the day before asking for concurrence by the House of Commons in this unanimous report of our standing joint committee. The answer is simple. It is that we felt that the government should be entitled to a chance to study the report. We hoped that the government's having been given that opportunity, concurrence would be forthcoming and we would see fundamental reforms taking place which would ensure the better functioning of this Parliament.

Hon. members will recall that on a number of occasions publicly in the House of Commons I have asked for a reasoned response from the government to our report. The government has indicated that it is not yet prepared, even after a year has gone by, to make a full report on the committee's recommendations, and it has asked that the committee not move for concurrence in its report, that it be held at least until fall so that this committee report could be lumped in with the report of the Economic Council of Canada and the report of the select committee which studied regulatory reform earlier in this session, and that perhaps a new parliamentary committee would be stuck to study the reports of these other committees.

Now is not the time for more studies. Now is not the time for another committee to study a committee to study a committee. Now is the time for action. This report makes a comprehensive analysis of the processes which are in place today. It finds them wanting and makes a series of recommendations—I believe 66 in all—which, if put in place by the government, could go a long way toward protecting Canadian rights and enabling members of Parliament to discharge their responsibilities properly.

For the committee to wait at this point and for us simply to allow Parliament to adjourn for the summer recess without calling for concurrence because it is inconvenient for the government would undermine the whole role of the committee, which has the responsibility of reporting to Parliament when it feels that action is required or when it feels the government has taken an action which is improper in some way. For us simply to await the convenience of the government on the ground that it has asked the committee not to ask for concurrence and not to ask that these reforms be made at this time is simply to turn the committee, which is a watchdog or scrutiny committee, into the handmaiden of government. No member of Parliament would ask that of the Public Accounts Committee, which is similar in its function to our committee, and surely no member of Parliament would ask that the Standing Joint Committee on Regulations and Other Statutory Instruments be simply turned into a handmaiden of government, the reports of which would be discussed only at the convenience of the government.

It is particularly appropriate that there should be concurrence today as well because Parliament is going into overtime. It was the intention of the government to have Parliament wound down for the summer recess, and we were not to be sitting this week. That means that every day we spend this week is found time. It is time which otherwise would not have been spent debating legislation because Parliament would not have been sitting, if the government had had its way. Consequently, no one can argue that debate on this matter at this time would be blocking the government from legislation which it had been intending last week, for example, to bring forward. Time is available. It is incumbent on members of Parliament on all sides of the House to debate the report. I think it is in the interests of the people of Canada and of this Parliament that a full and fair debate be held on this report, that debate conclude at the end of the day with concurrence in the report and with action by the government to begin to address some of the concerns of the committee, many of which have existed for several years.

The issue of what the role of the committee is and what the role of Parliament should properly be is really the fundamental question we are called upon to debate here today. Because what we are talking about goes right to the heart of parliamentary government itself. It often seems as if the issues being debated in the committee—when we listen to the names of the regulations which are being discussed—are archean or in some way irrelevant to the pressing concerns of Canadians, but they are not because the principles involved—the principle of Parliament's oversight of delegated legislation, the principle of the rule of law, the principle of natural justice, the principle of whether or not the government is acting within the confines of authority granted it by Parliament—are principles which are central to the whole life of our parliamentary government and extend back over centuries. They are principles for which people have fought and died over the course of many, many generations. This is why the debate we are having this afternoon is essential, why it must be allowed to continue this afternoon and why action must be taken by the government as soon as possible.

I could not myself this afternoon more eloquently make the case on behalf of the committee than the committee does itself in paragraph 6 and 7 of its report. Let me read them because I think they outline the fundamental issue at stake here today. They read as follows:

> Subordinate legislation is an historically accepted means of governance. There is no longer any point in arguing that it is fundamentally improper or that it should be used only occasionally or for mere matters of detail. What is essential is to surround the making of subordinate legislation with procedural safeguards and measures of control so that the rights and liberties of the subject, which it is the object of our constitutional order to protect while maintaining a viable system of government, may be secured as well under subordinate legislation as under statute. Subordinate legislation must not become a means, even unwittingly, of suppressing rights and liberties or of subverting parliamentary supremacy over the law. The Crown's power has never stood higher; the potential for its abuse has never been greater.

● (1520)

> 7. Subordinate legislation may be inescapable and the implementation through it of policy, even policy never debated by Parliament, may be inevitable; but that is no reason to allow subordinate legislation to be made without adequate check, without any democratic element in its formation, and embodying any provisions Parliament's delegate chooses. There are still matters which are not meant to be dealt with by delegated legislation and which should be soberly weighed by Parliament. The confining of subordinate law to its proper sphere, and the regularisation of its use will be impossible of accomplishment if Parliament continues in the habit of giving larger and vaguer grants of law making power to the executive in skeletal statutes many of which are devoid of any clear enunciation of policy. Such blanket grants of executive power as are contained

in, for example, the Petroleum Administration Act, the Energy Supplies Allocation Act of the Fisheries Act, were rarely made under the Tudor sovereigns who certainly prized administrative convenience and jealously guarded their control of the machinery of state. It is odd that in a supposedly democratic age government values its convenience, its control of the administrative system and its monopoly of information no less. What future can there be for individual liberty, for the rights of minorities and for democratic and participatory traditions if the highest end of government is its own ease, the exercise of power without public accountability? The need to abide by procedural rules, the stern restraint of the rule of law, the control of arbitrary if well meaning acts, all these may make government awkward. But the rights and liberties of the governed require that government not be untrammelled. Liberty is usually prickly and often untidy and asymmetrical. It wants, as Professor Hugh Trevor-Roper has observed, that certain beauty of mathematical order so beloved of those who respect power and what it can achieve.

That, Mr. Speaker, is the issue before the House. That is what we are debating. It is the role of Parliament itself, the safeguarding of the rights of the citizens of Canada. That is why this debate is so essential. Parliament is all that stands between the people and all powerful government, able to sweep away their most cherished rights with a wave of its arm. What is at issue is whether Parliament is discharging its responsibilities properly, or even, given present procedures, whether we have the ability to do our job properly. The committee's finding is unequivocal, that in fact we have not been discharging that responsibility properly, that in fact the procedures currently in place frustrate the ability of members of Parliament to do their job properly.

The committee's report, Mr. Speaker, makes some 66 recommendations which we feel are urgently required if Parliament is to discharge its responsibilities. We believe the government has had enough time over the course of a year to prepare a substantive response to our recommendations. Now is the time for action.

Let me review briefly for the House some of the recommendations made in a number of critical areas simply to set out a framework for this debate today. First, in response to a series of issues which have dogged the committee since its creation, the committee has called for a new subordinate legislation act. I mentioned earlier the number of pieces of subordinate legislation which were published each year, and yet the average Canadian, perhaps the average member of Parliament, is not aware of the fact that many of the laws we have which are made in the form of subordinate legislation are not even published, not available to members of Parliament, and are not set out for scrutiny by the standing joint committee.

We have every right to be concerned, Mr. Speaker, about our democratic liberties, when Canadians find themselves the subject of secret law. Yet that is what the committee has found on occasion after occasion. Some of the delegated legislation goes unpublished. Much of it is held by the government to be beyond the purview of the committee which was charged by Parliament to study this delegated legislation and ensure that it stayed within the bounds set out by Parliament.

We have asked, first of all, as part of this new subordinate legislation act, that we should provide expressly for the existence and continuation of the standing joint committee, which we would rename the standing joint committee on regulatory review. The change of name is simply to make the function of the committee more apparent from its title.

Second, we have asked that we clarify once and for all what is a statutory instrument; when the committee's jurisdiction begins; whether an instrument must be published in the first place or can remain secret—because we must not have secret law in this country. We on the committee believe, Mr. Speaker, that this is an essential issue which has to be dealt with.

Another recommendation which we believe is essential and which Parliament should be dealing with today is that all bills which include regulation-making authority in them should have the relevant clauses referred to the standing joint committee for study following second reading. That study would be concurrent with the policy study which would be taking place in other standing committees. The committee has not even asked for authority to amend legislation. All we have asked for is the ability to study it and make recommendations back to Parliament and the other committees studying the policy aspects.

We believe the request we have made is a very limited one, but one which is fundamentally important. Because what we have seen happen all too often, Mr. Speaker, is that the government has been granted vast authority to legislate by regulation without ever going to Parliament and justifying the need. There has only been one instance where the committee's recommendations have been followed. You will remember that was on the Post Office Crown corporation act where the committee asked and the government agreed to send those regulation-making clauses to committee. You will also remember that as a result of the committee's deliberations the government agreed to amend the legislation to make it a better bill, to ensure that it would not in fact be giving itself the power by regulation in the dark of night to sweep under its arm by way of the Post Office monopoly all telecommunications in Canada. That was the effect of the bill had it gone through unchanged. Our committee met, dealt expeditiously and in a non-partisan fashion with the bill, and its recommendations were accepted in large part by the government and resulted in a better bill, one which better reflects the intentions of Parliament and better protects the liberties of Canadians. This is why we believe it is essential to have this sort of expert study on which powers the government should properly be asking for before they are granted by Parliament.

We have asked, Mr. Speaker, that the appropriate cabinet minister report to Parliament within three months of any report respecting delegated legislation. We believe Parliament is entitled to have a response to standing committee reports. Indeed, had this recommendation been accepted by the government before, we would have had the government's response to our fourth report some nine months ago. It is now 12 months since the report was first tabled.

We recommended, Mr. Speaker, that committees of Parliament should have the right to review delegated legislation on policy or on their merits at any time. In essence, you would have a standing order of reference to committees to ensure that delegated legislation is studied on a continuing basis, and

that Parliament discharges that oversight responsibility. By and large our committee confines itself to questions related to procedure and process, but we believe it is also appropriate that other standing committees charged with looking at the policy being followed under delegated legislation should have the right to call up those regulations at any time and have a study on the merits of the policy embodied in those regulations.

We recommended that for the first time there be standardized procedures in this Parliament for motions of disallowance and of affirmation. We have suggested that motions of affirmation should take place under specific circumstances where we feel they would be particularly justified. There are four in particular. First, where the enabling powers may substantially affect the provisions of the enabling or any other statutes; second, where they impose or increase taxation, fees or charges; third, where they lay down a policy not clearly identifiable in the enabling act or make a new departure in the policy; fourth, where they involve considerations of special importance.

We propose that in other instances not included under those four principles five members of Parliament should be enabled to move motions of disallowance, and there should be a right to ensure there is a debate in Parliament and that a decision is made. Parliament should have the right properly to scrutinize these regulations and nullify them if it feels it is important do so.

We have also proposed in this report, Mr. Speaker, another important departure from present procedures. In some instances the government follows procedures related to notice and comment to ensure that interested Canadians have a chance to be heard before a new regulation is put into effect. Sometimes it has an effect on government policy, sometimes it does not. By and large this is a matter of discretion on the part of the government. We want to see it regularized as a standard procedure to ensure that Canadians do not find themselves in a situation where rules are changed in the dark of night, where their rights are taken away from them, where their ability to hold jobs is taken away from them, where their ability to act without running into penalty is taken away from them without any opportunity for input.

● (1530)

This is why we have asked that wherever possible the government give notice of its intent to issue new regulations and that when draft regulations are available they be properly scrutinized by Parliament and by the public. They should be made available in draft form before they are put into law. Wherever possible, social economic impact analyses of new proposed regulations should be provided and made public so that Parliament and the people of Canada can weigh these public policy considerations to try to decide whether the regulations are justifiable in the first place and what the goals and purposes will be.

We have asked that the government issue quarterly a regulatory budget in which it would give notice of the intended regulation-making which will be taking place in the following quarter. We have also asked when regulations are public that there be an explanatory memorandum. If Canadians simply pick up a regulation and try to understand its purpose, its form or how it is in fact changing the law in Canada, it is often impossible for someone to do it unless they have had extensive legal training. If the law of Canada is made incomprehensible for members of Parliament and for members of the Canadian public, how can we ensure that proper justice is being done? It is essential to provide every possible avenue to ensure that Canadian participate in the making of legislation and that they fully understand it.

We have proposed as well that a new regulatory council be set up, composed of representatives of regulatory agencies, of government departments, of public interest groups and of industry, to look from time to time at the whole issue of regulations and to make recommendations, which would not be binding upon the government. It would make valid and useful recommendations to the government when it is engaged in regulation-making.

We brought to the attention of the House in our report a very important issue on which Madam Speaker, since the tabling of our report, has supported the committee and has moved. I am referring to the following concern:

> That the making of extensive subordinate laws under votes in Appropriation Acts should stop and that all existing subordinate laws made unde votes be subject to review as to merits by the appropriate Standing Committees.

The House will remember that a few weeks ago Madam Speaker moved to strike down attempts by the government to give itself a great deal of authority through Appropriation Acts when that authority should have more properly been granted through legislation being brought before Parliament. When we realize that the passenger service structure for Canada and the whole of VIA Rail was put in place not by legislation being brought before Parliament and being debated here so that we could talk about the future of the passenger service in Canada, but put in place through a dollar vote which gave the governor in council carte blanche to make regulations as it saw fit, we can see how inherently flawed such a system of asking for this authority through Appropriation Acts would be.

We have asked that where the departments of government make a decision with regard to delegated legislation on the basis of opinions of the Department of Justice, that our committee and the public should be entitled to see those opinions. What conceivable basis could there be for witholding from Parliament an opinion of the Department of Justice as to whether or not what the government was doing was legal or illegal, whether or not it had the authority to do it? Yet time after time when the committee questioned whether Parliament ever gave the government the authority to act in the way, we were told that the minister was given an opinion by the Department of Justice and that Parliament and the committee would be deprived of the right to see that opinion.

We are not asking for something which is unheard of in other jurisdictions. In fact, if one studies the procedures

followed in other jurisdictions, it is commonplace that the explanations be given when the departments of justice in other jurisdictions have indicated that the actions of governments were intra vires and when serious questions were raised as to delegate legislation.

We have also proposed that amendments be made to make things more simple for the fisheries department, which has a particularly difficult situation. In the past the committee criticized the whole concept of sub-delegation. We have said that when Parliament delegates power to the agents of Her Majesty, that that power cannot be sub-delegated to make laws which affect the rights and privileges of people. Yet in the case of fisheries regulations we recognize that such sub-delegation may be necessary. We have asked that special provision be made for the fisheries department because we recognize that it is a special case, one which deserves special attention.

Finally, we have asked, as the Economic Council of Canada also recommended, that the government put in place sunset procedures to ensure that from time to time Parliament reviews the activities of its delegates, so that when programs are put in place by regulation parliamentary committees from time to time can call up those regulations, ask for a report and a review as to whether or not they are achieving the purpose for which they are intended, and whether or not they are doing it the best way possible.

We recognize by and large that those reports would have to be done by the government, but we believe they should be made available to the Parliament of Canada. Parliament does not discharge its responsibilities to the people who sent us here properly if it does not from time to time review the programs it created to ensure that there is a need for them and that the mechanisms in place are still the best means of achieving those purposes.

I am pleased to say that when I was a minister in the Clark government we were working on precisely such legislation which would allow parliamentary committees to call up program evaluations or to insert clauses in legislation to ensure that they were either lapsing after a certain time or were brought back before Parliament for review to ensure that they were still valid, necessary and achieving the purpose for which they were intended.

There is nothing in these recommendations which should be viewed in a partisan light. The issue is not one of the rights of government versus the rights of the opposition. The issue we are discussing today relates to the rights of the people of Canada and to the responsibility of Parliament. They go to the heart and the substance of the whole purpose of Parliament.

If our role increasingly in the future is to be simply to pass broad enabling legislation which gives the government the power to do whatever it wants at its convenience, then we might as well send this Parliament home because we are not doing our jobs; we are not doing what we were asked to do. This is why it is essential to have a full debate on this issue today and that it be concluded with concurrence in the report. This is why it is essential that we not wait any longer. After one year, how much longer need we wait to have a substantive response? If parliamentary committees are to be taken seriously and are to function in the way intended by Parliament, how long must Parliament and the people of Canada wait before receiving a substantive reponse from the government as to its recommendation? How long must we wait when we bring to the attention of Parliament the fact that present procedures are subverting the purposes of Parliament itself? How long must we wait before action is taken to correct those activities and to ensure that Parliament can discharge its responsibilities properly?

Canadians of all ages have an interest in the debate which is taking place today. Perhaps the debate is more fundamental than any other debate which will take place in this Parliament. It goes to the issue of the role of Parliament itself, to the preservation of our democratic institutions and to the protection of the rights of Canadians. Other issues with which we deal, be it the Constitution, the economy, agriculture or pensions, are vital issues affecting Canadians which deserve serious consideration by Parliament. But this is an issue which revolves around the role of Parliament itself and the preservation of our democratic system of government. It is one which deserves Parliament's attention today. It is one which deserves serious attention by the government and fast action; not more studies, not more reports, not more committees. It deserves more action in terms of legislation being tabled in Parliament and in terms of agreement by hon. members on all sides of the House to the recommendations in this report.

• (1540)

We believe that our report is essential and should be acted upon. We commend the members of the select committee for the recommendations which they have made. We believe that the government would be well advised as well to act on its report and to act upon some of the recommendations included in the Economic Council's reports.

But we say that our report stands on its own, that it is complementary to the other reports. It merits consideration and concurrence today. It merits action from the government without further delay. Canadians expect no less of us. Surely this is the action which should be taken by our Parliament before we recess for the summer break.

I call upon the government to ensure that today, before the day's end, there is a full and complete debate on this report. I call upon the government to allow members from the New Democratic Party, from its own side and from my side of the House to be heard on this non-partisan issue. It is an issue which affects all Canadians. It is one in which the government has a responsibility to show that it is serious, that it respects the rights of Canadians and that it respects the role which Parliament must be playing.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette).

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise—

Mr. Knowles: On a point of order, Mr. Speaker. I put it to the parliamentary secretary that, in order that there may be at least one voice from each of the three parties, I wonder if he would not be willing to let me speak at this time instead of him.

Mr. Collenette: Mr. Speaker, I do not want to be discourteous to the hon. member for Winnipeg North Centre (Mr. Knowles), but the normal practice is that we alternate from side to side. The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) has moved concurrence in his motion and Your Honour has recognized me to respond.

I do so briefly, Mr. Speaker—

Mr. Rose: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Mission-Port Moody, on a point of order.

Mr. Rose: I rise under the provisions of Standing Order 29 and move:

That the hon. member for Winnipeg North Centre be now heard.

Mr. Deputy Speaker: The hon. member for Mission-Port Moody is out of order. He was recognized on a point of order. The parliamentary secretary has the floor.

Mr. Collenette: Mr. Speaker, as the hon. member for Mission-Port Moody (Mr. Rose) knows, he was not given the floor at the appropriate point in time and therefore could not move the motion under Standing Order 29.

From the point of view of the government, I must say we are somewhat surprised that this motion has been brought forward today. I know there has been some discussion from time to time about the hon. member for Wellington-Dufferin-Simcoe moving concurrence in his motion, but, as I told him and the members of the steering committee of the Standing Joint Committee on Regulations and other Statutory Instruments about two months ago, the government would seek its co-operation in asking the hon. member and his committee to wait until this coming fall, when the government would be in a position to introduce a discussion paper in this House for all members to look at, taking into account the concerns of the hon. member for Wellington-Dufferin-Simcoe and the committee of which he is co-chairman.

The hon. member knows full well that some of the recommendations made by his committee, which, incidentally, has done excellent work over the years, have been implemented by the Treasury Board. He also knows that the recommendations that the committee have made have far-reaching implications for the the future of parliamentary democracy. One should not idly suggest by the moving of concurrence in this report, with little notice, if any, that we should deal with this very complicated subject in this particular way. I was only informed before question period that the hon. member would be moving this motion today.

In the Speech from the Throne the government said that it wants to look at all aspects of electoral and parliamentary reform. The hon. member knows, since it has been discussed with members of his party through the normal channels, that the government will be working on this subject over the course of the summer and would like to embark on a discussion of parliamentary reform, taking into account the recommendations of his committee and the very excellent recommendations of the special task force chaired by the hon. member for Willowdale (Mr. Peterson), who is in the House this afternoon. The government wishes to take into account all of these various recommendations and bring forward a discussion paper in order that we may look at this subject in a nonpartisan way and decide the future course of Parliament and the future role of parliamentarians.

I must say, Mr. Speaker, without being too derogatory, that I am somewhat appalled that the hon. member for Wellington-Dufferin-Simcoe has the gall to move this motion this afternoon, knowing full well that it is the government which has the responsibility under Standing Order 18(2) to determine the business of Parliament. That is a basic premise upon which our parliamentary system operates. One party has the confidence of the electors of the country to form a government. It is that party which has the right, under the Standing Orders, to introduce legislation and to set the priorities for business each and every day.

Members opposite know full well that it was the government's intention, after discussions with the House leaders, that we should adjourn last Friday. We know there was no formal agreement but there was a general understanding that we would adjourn last Friday. The government feels somewhat sad that this general understanding was not carried forward. For example, we know that the Leader of the Opposition (Mr. Clark) has stated that he and his colleagues will not allow Parliament to adjourn unless certain conditions are met. It is this party which forms the government in this country. It is this side which has the constitutional and parliamentary prerogative to set the business of the country. And it is this side which has the right to set priorities for discussion in this Parliament.

Mr. Knowles: I rise on a point of order, Mr. Speaker. In effect, the Parliamentary Secretary to the President of the Privy Council is challenging the right of the hon. member for Wellington-Dufferin-Simcoe to have brought on this debate, as though it was out of order for him to do so. He is talking about Standing Order 18, and so on. I contend that in view of the ruling by Mr. Speaker Lamoureux any member of the House of Commons can, at any time, put forward a motion for concurrence in a report of a committee. It is not out of order for this to have been done. It is out of order for the present speaker to be contending that something has been done which is wrong.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The Chair has recognized the motion for the hon. member for Wellington-Dufferin-Simcoe.

Mr. Knowles: Tell the parliamentary secretary that.

Mr. Deputy Speaker: The hon. member's motion is before the House and the parliamentary secretary has the floor.

Mr. Collenette: Mr. Speaker, I am not arguing on procedural grounds against the right of the hon. member for Wellington-Dufferin-Simcoe to move concurrence. I am stating an elementary fact of parliamentary life. It is the government which sets the legislative timetable for Parliament. The government decided, in view of the attitude expressed by the Conservative party, that it would choose to call Bill C-48 for discussion this week. We debated that bill yesterday and we intend to debate it again today. Thus, it is quite clear that the kind of debate which we have had thus far this afternoon from the hon. member opposite is a dilatory tactic to prevent the government from discussing the very important legislation dealing with oil and gas in Bill C-48.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I think it is a well known and justifiable tradition in this House that the motive of any member who carries out his function in accordance with the rules be not impugned. The hon. member opposite has made reference to the fact that, apparently, there is some dilatory tactic being undertaken by a member who has stood in his place, who is co-chairman of a standing committee approved by members of the government, as well as the opposition, and who has presented a report which has been ready for discussion for some considerable period of time. I think the point of order—

Mr. Deputy Speaker: The hon. member's motion has been recognized by the Chair and it is before the House. The parliamentary secretary has the floor.

As far as the impugning of motives is concerned, what the Chair has heard was relatively minor compared to a number of other situations which have taken place in the House.

● (1550)

Mr. Collenette: Mr. Speaker, I do not wish to provoke my friends from the Conservative party any longer. Therefore, under the provisions of Standing Order 24, I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That the House now proceed to Orders of the Day.

Some hon. Members: Shame, shame!

Mr. Deputy Speaker: Standing Order 24 of the House provides that:

A motion for reading the Orders of the Day shall have preference to any motion before the House.

Standing Order 32(2) provides that such motion is not debatable.

Is it the pleasure of the House to adopt the motion? All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Collenette), which was agreed to on the following division:

● (1710)

(Division No. 82)

YEAS

Messrs.

Allmand	Dubois	Loiselle
Appolloni	Duclos	Lumley
(Mrs.)	Dupont	MacBain
Axworthy	Dupras	MacGuigan
Bachand	Duquet	Mackasey
Beauchamp-Niquet	Erola (Mrs.)	MacLaren
(Mrs.)	Ethier	MacLellan
Bégin (Miss)	Evans	Maltais
Berger	Ferguson	Massé
Blaker	Fleming	McRae
Bloomfield	Foster	Munro
Bockstael	Frith	(Hamilton East)
Breau	Gauthier	Nicholson
Burghardt	Gendron	(Miss)
Bussières	Gimaïel	Olivier
Campbell	Gourd	Ostiguy
(Miss)	(Argenteuil-Papineau)	Ouellet
(South West Nova)	Gourde	Parent
Campbell	(Lévis)	Pepin
(Cardigan)	Gray	Peterson
Chrétien	Henderson	Pinard
Collenette	Herbert	Portelance
Comtois	Hervieux-Payette	Prud'homme
Corbin	(Mrs.)	Regan
Corriveau	Isabelle	Roberts
Cosgrove	Johnston	Robinson
Côté (Mrs.)	Kelly	(Etobicoke-Lakeshore)
Cousineau	Lachance	Rompkey
Cullen	Lamontagne	Roy
Cyr	Lang	Savard
Dawson	Laniel	Schroder
De Bané	Lapointe	Simmons
Demers	(Charlevoix)	Tessier
Desmarais	Lapointe	Trudeau
Dingwall	(Beauce)	Turner
Dionne	LeBlanc	Watson—96.
(Chicoutimi)	Lefebvre	

NAYS

Messrs.

Althouse	Dantzer	Jelinek
Baker	Darling	Kempling
(Nepean-Carleton)	Deans	Kilgour
Beatty	Domm	King
Blackburn	Epp	Knowles
Blaikie	Fennell	Korchinski
Blenkarn	Forrestall	Kristiansen
Bosley	Fraser	Lambert
Bradley	Friesen	Lawrence
Cardiff	Gamble	Lewis
Carney (Miss)	Gass	MacDonald
Clarke	Greenaway	(Miss)
(Vancouver Quadra)	Gurbin	Malone
Corbett	Gustafson	Mayer
Crosbie	Hargrave	McCain
(St. John's West)	Hnatyshyn	McCuish
Crosby	Huntington	McGrath
(Halifax West)	Ittinuar	McKenzie
Crouse	Jarvis	McKinnon

Messrs.

McKnight	Oberle	Skelly
McLean	Ogle	Speyer
McMillan	Paproski	Stewart
Miller	Parker	Taylor
Mitchell	Reid	Thacker
(Mrs.)	(St. Catharines)	Thomson
Munro	Roche	Towers
(Esquimalt-Saanich)	Rose	Vankoughnet
Murta	Schellenberger	Waddell
Nowlan	Scott	Wilson
Nystrom	(Hamilton-Wentworth)	Wright
	Siddon	Yurko—83.

Madam Speaker: I declare the motion carried. Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Monday, July 13, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 3 (Mr. McGrath).

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as we were concluding our discussions yesterday evening on motion No. 3 pertaining to Bill C-48, I noted that two themes had emerged in our discussions. One was the misgiving on the part of some in the opposition that the bill would somehow delay the realization of the petroleum potential in our Arctic areas and in the offshore. I had cited several examples of recent expansion of activity in those areas which give lie to the misgiving.

What we have also seen during the course of recent years is the need for a clear statement to guide those active in the exploration and development in the Canada lands. They must know the terms and circumstances under which that exploration and development can go forward. In our desire to see the terms clearly established, we are joined by the spokesman on energy questions on the Conservative benches, the hon. member for Etobicoke Centre (Mr. Wilson). Earlier in our discussion of this bill he noted the need to proceed expeditiously with this legislation, welcomed it as being overdue and praised the minister for bringing it forward. I am pleased to note that there is broad agreement that this legislation is necessary and indeed is a matter of some urgency, that in fact it does not hinder but rather promotes exploration and development in the Canada lands. Indeed, since last night we have seen yet another example of initiative being taken in the frontier areas with the acquisition by Husky of the lands held by Shell Explorer.

I turn to the second theme of our discussion as we were concluding last night, which is a misgiving on the part of some of the opposition that somehow this legislation would preclude the benefits of exploration and development in the Arctic lands and in the offshore areas flowing to the adjacent provinces or territories. Quite clearly from a number of statements which the Prime Minister (Mr. Trudeau) and others in government have made on a number of occasions, it is not our intention to deny to the adjacent areas the full benefit of the revenues flowing from oil and gas exploration and development.

We remain eager to negotiate an arrangement with Newfoundland and the other offshore provinces. We made that very clear on a number of occasions, most recently during the course of this spring. We have offered revenues to the provinces from oil and gas exploration and development comparable to the situation in Alberta today.

With specific regard to the motion put forward by the hon. member for St. John's East (Mr. McGrath), the proposed amendment would delete that part of the definition of Canada lands which refers to offshore areas. This definition that would thereby be deleted does not apply to areas within a province. If it were ultimately determined that a province has jurisdiction in the offshore, those areas over which it has jurisdiction would not be part of Canada lands. In the absence of such a decision, the definition permits the exercise of federal jurisdiction over offshore lands which the Supreme Court of Canada in the 1967 British Columbia reference found to be within federal jurisdiction. The definition of offshore areas is also consistent with the work of the Law of the Sea Conference on the question of coastal state jurisdiction and certainly will not create any international problems.

I might also note that the definition in the bill does not state that the submarine areas in question are owned by Canada. Indeed, with respect to the areas outside the territorial sea, that is the 12-mile limit, it is doubtful that Canada could maintain a claim of ownership under international law. The definition clearly states that Canada lands are those that belong to Her Majesty the Queen in right of Canada or in respect of which Her Majesty in right of Canada has a right to dispose of or exploit those natural resources. Those words refer not to ownership but to Canada's authority under international and domestic law. I would ask the hon. member for St. John's East to bear in mind that the reference within the bill is not there by accident. It is there to repeat the claim of Canada over the disposition of the natural resources in the 200-mile zone.

I have cited some reasons why it would obviously be against the whole tenor and purpose of this bill if this motion were to carry. We would have a bill that would in some curious way relate only to the territory of the Yukon and Northwest Territories. All offshore areas would be excluded whether in the Arctic, Pacific or Atlantic. For those reasons, as well as others I have cited, the amendment is unacceptable to the government.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg Assiniboine (Mr. McKenzie)—Veterans Affairs—(a) Appointment of full-time minister (b) Decentralization of department; the hon. member for Saskatoon West (Mr. Hnatyshyn)—Combines—Request for release of report on uranium cartel—Request that independent prosecutor review evidence; the hon. member for Humboldt-Lake Centre (Mr. Althouse)—Bank Act—Query respecting possible revisions to control interest rates.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 3 (Mr. McGrath).

Hon. Ron Huntington (Capilano): Mr. Speaker, I am rather surprised to find myself in mid-July speaking to motion No. 3 on Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. Motion No. 3 deals with the Canada lands concept. It is to this concept that I wish to direct my remarks.

Simply stated in the most naked terms possible, the National Energy Program objectives are energy self-sufficiency, greater participation by Canadians, fair pricing and revenue sharing. I think most of us in Canada accept those program objectives as worthy and worth working toward.

● (1720)

The delivery of these objectives requires dialogue, sound fiscal policy that delivers incentives to the system, and federal-provincial agreements. Instead, we have a government that approaches these desirable objectives with confrontation, socialization and the new word that is creeping into the vocabulary now meaning the same thing, "federalization", and extensive regional division. This is growing daily as a threat to our national wellbeing and is the direct result of the resolution on the Constitution and the twisted, devious policies that many

of us in the west feel are being delivered by this government to implement the straightforward objectives of the National Energy Program.

Several times in the past I have spoken in the House and have warned this House that we must update our parliamentary system and structure. It is now evident that the British parliamentary system is failing us as it has failed others, in that it has served only the population centres of countries instead of giving equal representation to widely spread regions.

Instead of revitalizing the Senate of this Parliament so that Parliament could address regional needs and aspirations of the nation, this Liberal, socialist government uses it as a receptacle into which it drops people who need protection from the law or people who merely get in its way in its quest for perpetual political power.

We hear a lot of statements to the effect that the Constitution and the National Energy Program are in the interests of all Canadians. Indeed, last night the Minister of State for Mines (Mrs. Erola) reminded us, in a question to my colleague the hon. member for Edmonton South (Mr. Roche), that what the government is doing is in the interest of all Canadians. Mr. Speaker, this has a very good ring to it but it is as deep and as truthful as the great call in 1968 to a just society, on the repeated calls in Speeches from the Throne for equity and fairness. We have heard this ring through the various speeches, utterances and rhetoric of this government.

"In the interest of all Canadians" means "in the interest of the population centres that deliver and sustain federal power". "In the interest of all Canadians" means "in the interest of the people of Upper and Lower Canada". The use of the Canada lands concept as addressed in motion No. 3 is nothing more than a massive money grab for the people of Ontario and Quebec.

Mr. McRae: Nonsense!

Mr. Huntington: The hon. member says nonsense. I would ask him to please listen. That is the way the people in the Atlantic region and western Canada feel.

What are hon. members opposite afraid of? Had we respected the truth and fact more than playing with shallow politics, today we would probably be in the final stages of completing the Mackenzie Valley pipeline which would deliver gas energy from the northern slopes of Alaska down to the midlands of the United States.

Had we worked towards the objectives of the National Energy Program, we would have preserved all the energineering and talent and production capacity that was in place for the Syncrude plant and would have phased it into another tar sands plant. By now we would have started a massive in situ plant. We would have had our nation and people at work instead of having close to 1.25 million people idle. We would have been well on our way to balanced budgets and would be able to afford the standard of life and welfare that we want for the people in this country. We would have been well on our way toward energy self-sufficiency and there would have been

a happier, more co-operative attitude at large within our great country.

The benefits to all parts of Canada from expansion in the west and in the north and in the Canada lands are tremendous. Those benefits are not regionalized or localized; those benefits are there for the whole of the country. The manufacturing demand that would have filled the plants of Ontario and Quebec would give bounty to all.

Mr. Collenette: Mr. Speaker, I rise on a point of order. I have listened with interest for the last few minutes to the hon. member's speech. He has yet to be relevant to the motion under consideration. This is not a general, second reading debate. Motion No. 3 is specific and is under debate and I would ask that you request the hon. member to be relevant to the debate.

The Acting Speaker (Mr. Ethier): Order, please. The Chair would ask to be excused. I had a conversation with an hon. member and I did not pay attention to the words spoken by the hon. member for Capilano (Mr. Huntington). Of course, hon. members know that their remarks have to be relevant to the business before the House. Without having heard what the hon. member said, I have to accept what the parliamentary secretary has said. We will hear the hon. member for Capilano.

Mr. McGrath: I rise on a point of order.

The Acting Speaker (Mr. Ethier): Order, please. I cannot see why I should entertain a further point of order. I have just said that I will recognize the hon. member for Capilano. I said I had not heard the remarks that he made before. He will now address himself to the bill. I cannot see why any further point of order should be entertained.

Mr. McGrath: Mr. Speaker, I want to raise a different point of order. It is a practice of this House that when the House deals with the first amendment at report stage, it is given a great deal of leeway in terms of relevancy.

The Acting Speaker (Mr. Ethier): Order, please. I think the Chair has recognized that in the past. The Chair has not criticized anything that the hon. member for Capilano has said. The Chair has recognized the hon. member for Capilano; I hope hon. members will understand that. I simply recognized what the hon. parliamentary secretary brought to my attention, perhaps rightly or wrongly, I do not know. I was having a conversation with a fellow member and now I recognize the hon. member for Capilano. The House can judge whether his remarks are relevant to the motion or not.

Mr. Collenette: Mr. Speaker, I think we should get this absolutely straight. The hon. member for St. John's East rose on another point of order.

An hon. Member: Sit down.

The Acting Speaker (Mr. Ethier): I see no point of order here. The hon. member for Capilano.

Mr. Huntington: Mr. Speaker, I would ask that the four minutes lost by that intervention be added to my time if I need it. I do not see that the point of order was relevant and I can establish that my speech referred strictly to the Canada lands and the background of facts related to the Canada lands. If the Parliamentary Secretary to the President of the Privy Council would listen instead of flapping his mouth every time anybody stands up in the House, he might learn something and he might get a feeling for the country and for some of the people who come from the outback.

One of the troubles with people elected from Upper and Lower Canada on that side is that they do not hear. They are arrogant, they are autocratic, they shove everything down our throats and then expect to have a feeling of friendliness and structure and building in this country. This will not happen as long as they have the attitude of the parliamentary secretary.

We talk about equity and sharing, Mr. Speaker. When the OPEC prices exploded, did the governments of Ontario and Quebec help share the oil-fired cost of electricity in the maritime provinces of the Atlantic? Just a minute, Mr. Speaker, I think this is quite relevant. No, they did not. We talk about equity and sharing and that is what the motion with respect to Canada lands is about. We heard it from the Minister of State for Mines last night. If she can make interventions on that same issue, surely I can address the intervention that she was allowed by the Speaker last night.

Mr. Collenette: Speak to the motion.

Mr. Huntington: We have heard the argument that Upper and Lower Canada need this sharing because they shared their wealth with the west at the time OPEC prices were lower than the delivered price of western oil into central Canada. During that decade from 1962 to 1972 the people of Ontario and Quebec paid over $639 million—

• (1730)

The Acting Speaker (Mr. Ethier): Order, please. With all due respect to all hon. members, I would invite them to address themselves to the motion. There will be ample opportunity for the hon. member to address future motions in this bill in the precise words he is using now, but I would invite him to speak on this motion.

Mr. McGrath: Mr. Speaker, I rise on a point of order. With great deference, we sat here yesterday and heard the Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Simmons) speak for 25 minutes without referring once to the—

The Acting Speaker (Mr. Ethier): Order, order. Order, please. We could certainly go back to yesterday's *Hansard* and together review what happened and we might admit that a few of the speeches were not relevant, but I think perhaps if the hon. member was here and had listened to both speeches, he would have found that the parliamentary secretary was perhaps relevant to the speech of the speaker who spoke before him.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): The Chair also accepted those remarks. But we have to draw the line at some point. I do say once again that the Chair has been very, very lenient in the past, but I would invite you, and that is all I can do, to speak to the motion.

Mr. Huntington: Mr. Speaker, equity and sharing is central to this motion, it is central to the bill and it is central and germane, in the opinion of the opposition that is at large in this country, to this piece of legislation. Motion no. 3 deals with the Canada lands concept. I am speaking to equity and sharing, and the lack of equity that is in this bill as far as we in the west are concerned and as far as those in the Atlantic regions of this country are concerned.

The motion deals with the matter of offshore rights, the matter of the extension of confiscation and so-called Canadianization of practices that were completely successful in the development and exploration work being done on those lands and offshore. That is all part of the equity and the sharing I am addressing right now. That lack of equity and fair sharing goes way back and is deeply embedded in the evolution of this whole matter of federalization and so-called Canadianization which many of us feel is absolute confiscation and a denial of the fundamental principles that built this great continent.

May I say that the province of British Columbia is very surprised to find C-48 before the House, as there was a distinct understanding that this matter and this business would not be before the House before the fall.

Some hon. Members: Oh, oh!

Mr. Huntington: I know that the mouthy experts over there are absolute masters in dealing with the extremes of legal interpretation, and if there are masters anywhere in the world who are experts in the tricky use of language, they are over there, and that is what they are relying on now.

The fact remains that at large in this country there is opposition among governments which are concerned with aspects of this bill that are involved in motion No. 3; aspects that are very important to the Atlantic provinces and to the province of British Columbia. The government, by bringing this matter forward at this time, is not living up to the impression it left at large within those provinces. They have not even been extended the courtesy of being notified of the amendments on the Order Paper addressing a matter as important as the Canada lands concept that we are speaking to in this motion right now.

We are talking about people keeping their word. Has the government kept its word?

An hon. Member: Sure we do.

Mr. Huntington: Why then did the government see fit to defeat an opportunity to debate one of the most important matters ever placed before this House, the motion put today seeking concurrence in the report of the Committee on Regulations and Other Statutory Instruments? Why did the government defeat that if it felt it did not have the opportunity to leave this bill to the fall, as it said it would and as it gave the impression it would to all the provinces?

The province of British Columbia is on the eve of a meeting with its sister maritime provinces in the Atlantic, but it has been waiting, as have the maritime provinces, for a promised letter from the Department of Energy, Mines and Resources—waiting, waiting and waiting. Where is that letter in order that the meeting can proceed, so the provinces would have some knowledge of what is in the dark secret halls of the Department of Energy, Mines and Resources? I suggest that the Minister of Energy, Mines and Resources (Mr. Lalonde) use the executive mail service that is available to the large corporations and banks in Canada and have that letter delivered to the provinces which are concerned and are waiting for some kind of an insight as to policy and what is to be on the table next.

The parliamentary secretary said just this afternoon that the government was anxious to negotiate in this area. If the government is so anxious to negotiate, and if its rhetoric keeps coming out that way, why then is the government not doing as it says it will do with the provinces involved? Why is the government interfering with the progress of a meeting that is awaiting that letter? The issue addressed in motion No. 3 is important to my province. That province has had no warning and has not even seen the amendments, as I have said.

On the matter of offshore rights, my province has been to the courts. In 1967 there was a Supreme Court decision in favour of the federal position. But in 1976, the B.C. Court of Appeal ruled that waters inside the boundary between headlands inside those baselines fall within the jurisdiction of the province. As soon as that B.C. Court of Appeal decision came down, the federal government, in its anxiety to cause confrontation everywhere, launched an appeal, and since then has never proceeded with it. Why has it not proceeded with that appeal? Why has it not cleared that area?

There has been a moratorium on drilling and exploration in those coastal waters of British Columbia. Why has that moratorium been in effect?

It seems that the socialists in this country are intent on zero or negative growth. They have been interfering with the progress of every megaproject, every exploration project and everything that could deliver us to energy self-sufficiency by the year 1990. That is the deliberate plan of this government. The basic fundamental objectives of the National Energy Program are simple, concise and in place, and all they need is some fiscal policy and a government which wants to achieve energy self-sufficiency rather than impose a revolution and a change in the form and style of government to interfere with the freedom and liberty of people, as this government is doing.

The government should heed the warnings of the hon. member for St. John's East (Mr. McGrath) and the hon. member for St. John's West (Mr. Crosbie). This matter of the Canada lands concept is truly a political matter of great importance to the provinces and the people on both coasts. It

will not be resolved with technical and legal arguments. It is truly a political matter. We have to be able to talk it out in this House if we are to understand our position as people living in widely diverse regions in a vast land.

I hear again the moans and groans of the people from Upper and Lower Canada, and I tell you there is trouble ahead if you do not open your ears and retain some of the appeals we keep trying to make. We will fracture into tribes such as those in Africa if the government does not listen, does not hear, does not get back to the bargaining table, does not negotiate and does not work to reach a consensus.

Arrogance and autocracy are absolutely obsolete today. They are obsolete in the work place. They cause all the confrontation we have between management and labour. They are obsolete in national politics. This country needs some gentle, loving care. It needs some talking; it needs to talk out our differences, it needs to reach and negotiate an understanding, and it needs to get back to the processes leading to consensus.

● (1740)

There are more intelligent ways of achieving the National Energy Program objectives than confrontation, confiscation and the very dishonest use of the word Canadianization. I urge the government to return to consensus-seeking procedures, for in my opinion the wellbeing of our country, Canada, is at stake, and the federal Liberal government's zeal to federalize is betraying the Atlantic regions and the western regions of Canada.

In the moment I have left I will return to the words "equity" and "sharing" because those are essential elements of this debate. It is in the interests of all Canadians, we keep hearing, that we move on the Canada lands. Let me tell hon. members that of the present price of $1.66 for a gallon of gasoline, the federal government, according to figures provided by my colleague, the hon. member for Calgary South (Mr. Thomson), takes 56 cents; the Ontario government takes 25 cents; the Alberta government gets 22.7 cents; the producer gets 19.3 cents; the refiner gets 33 cents; and the dealer gets 10 cents. This adds up to $1.66.

Hon. members opposite keep talking about the interests of all Canadians. They keep thinking that this country will stay together as a co-operative federalist state. They talk about equity and fair sharing being the motivation which drives them to these types of policies, but nothing could be further from the truth or more divisive.

The Canada lands concept is a serious issue to the Atlantic regions and to the western regions. The definitions within the legislation are not known; nor is this amendment known to my province; and I urge hon. members opposite to go slowly so that full and studied input is available from our regions before this legislation goes too much further in this House. There are other matters we can be debating, matters such as concurrence in the fourth report of the Standing Committee on Regulations and Other Statutory Instruments, which would give us time to get our regional inputs together on this important bill.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am pleased to follow on the remarks of my colleague, the hon. member for Capilano (Mr. Huntington), and to support the amendment put forward by the hon. member for St. John's East (Mr. McGrath).

The matter before the House today boils down to one basic question: who owns the resources under the Canada lands? In particular, with respect to motion No. 3 we are dealing with the question of who owns the resource potential in the offshore areas in the Atlantic and Pacific coastal regions.

I would like to quote from the National Energy Program just briefly as referred to at page 42 where it is indicated that the federal government recognizes the difficult nature of this dispute. In fact, the government claims, in the very meritorious-sounding document released almost a year ago, that it is anxious to refer the matter of ownership quickly to the Supreme Court. The document states the following:

> Uncertainty about the legal control over such vital areas is not conducive to the rapid development of the oil and gas potential of this promising region, which can contribute to Canada's energy needs and the economic aspirations of the region.

All that sounds great. That is very high sounding rhetoric, but it is completely contradicted in the initiative reflected in Bill C-48, which would allow the federal government to lay claim, without constitutional amendment or legal clarification by the courts, to all those potential resources in the Canada lands areas without any provision for revenue sharing with the provinces, let alone recognition of the fact of provincial ownership as a basic aspect of those regions' entering into Confederation, and without any regard for provincial involvement in the management and development decisions in those Canada lands.

What we are dealing with is a federal attitude which treats the north, the west, our Atlantic provinces and British Columbia as colonies, as the hon. member for Capilano has stated, and the sole *raison d'être* for those colonies is to serve the central provinces of Ontario and Quebec. This is the view of this centralist government. The more remote regions of Canada are there merely to be raped and exploited by the Liberal plunderers.

These far flung regions of Canada are soon going to revolt against the power hungry, selfish attitude of the federal government. The federal philosophy seems to presume that regional growth and prosperity are wrong, because the government itself has contradicted the high sounding rhetoric of the National Energy Program. However, the truth is that decisions taken in the regions are very much superior to decisions taken 3,000 miles away in Ottawa by a group of uninformed bureaucrats and greedy Liberal squanderers. There is absolutely no evidence to justify the federal claim that it can do a better job of managing our natural resources than the provinces have done over the last several decades.

Let us examine the credentials of these centralists, these economic socialists whose narrow attitude toward Canada is reflected on the editorial pages of the Ottawa *Citizen* but hardly anywhere else in the country. What have they done

recently for Canada? Let us look at the track record. How is the Post Office doing lately, or the armed forces? What about the state of our national economy, with interest rates at the level they have reached, the high cost of food and housing and the $20 billion projected federal deficit for the present fiscal year alone? What about the futile constitutional farce, the DREE farce and the CRTC farce, and what about the disaster of VIA Rail and the mismanagement of our transportation systems in western Canada? Look at their cynical, distrustful attitude with regard to the role of the private sector, in particular with respect to development on Canada lands. At the same time, the feds continue to amass windfall profits by ripping off Canadians through usurious levels of taxation.

Look at the basic disaster of the National Energy Program. Look at the drilling rigs flooding out of Canada, wells being capped, jobs being lost in all parts of this nation and major energy projects collapsing before our very eyes because of the incompetence of this government. How can the federal government possibly claim that it is the single, all-knowing, competent agency for managing our offshore minerals and hydrocarbon resources?

I sat through many weeks and months of committee deliberations trying to get information from federal experts who were there on behalf of the Minister of Energy, Mines and Resources (Mr. Lalonde), and I was sorely disappointed to find that all those experts were there to do was to protect their minister and his political mission in life. They would not provide information, and, I hazard to say, they are not capable of providing that information. In fact, the Minister of Indian Affairs and Northern Development (Mr. Munro), who has operative authority over 85 per cent of these Canada lands, did not appear at the committee more than once or twice during the whole four-month period of deliberations. It is not a widely known fact but it is certainly reflected in the bill, that the Minister of Indian Affairs and Northern Development has jurisdiction over all decisions regarding exploration agreements and development permits above the 60th parallel. The Minister of Energy, Mines and Resources is apparently trying to expropriate that authority from the native peoples, as well as their trust in the minister.

How can these centralists be so cynical as to deny that our regional governments have certain expertise and knowledge peculiar to their areas which federal policymakers cannot possibly experience or comprehend?

Yes, I predict that before long the regions of Canada will mount a massive strike against these arrogant, power hungry masochists who are wreckling our national economy. They will stop producing oil, as Alberta has done. They will stop using the Post Office. They will close up their businesses, as they are doing at the present time, and refuse to pay income tax. They will stop buying Canada Savings Bonds, as Canadians are already doing in record numbers, and they will abandon their mortgages.

• (1750)

This strike against the central government, Mr. Speaker, is where we are headed if we allow these insane policies, spearheaded by the Minister of Energy, Mines and Resources, the Minister of Finance (Mr. MacEachen) and the Prime Minister (Mr. Trudeau), to continue to destroy our beloved nation.

On the question of resource ownership, particularly offshore resources, it is a fact that since the adoption of the BNA Act, ownership of natural resources has been entrusted to the provinces. These resources are the basis for building local economies, for development of communities, and for financing opportunities, employment and services to people living in those sparsely populated, far-flung regions of Canada. To build a future, Mr. Speaker, the people of those areas were granted in 1867 the right to elect their own regional governments, and to pursue their own heritage within a great country.

Why were the provinces given all these powers under the various sections of the BNA Act? Why were they given the power over education, land title and property, hospital and medical care, mining minerals, timber and royalties? Why were they given the power over business, their licencing, and incorporation, over provincial justice, and generally over all matters of a local or provincial nature? They were given that authority because the wisdom of another age saw that those kinds of decisions had to be made close to the people. They could not be gathered together and expropriated to a federal government 2,000 miles away from most of these far flung regions.

So the provisions of the BNA Act affirm the federal nature of our political institutions; the "dignifying", if you like, of the regions; giving those regions some cause for aspiring and hoping that they might energe as individual and unique entities within the rich fabric of this nation. Therefore, the federal government has no right to change this concept now.

Conversely, Mr. Speaker, the maritime regions have every right to those resources which they brought with them into Confederation, to the same degree that Ontario and Quebec have profited by their resources and have annexed vast tracts of additional land in this century which have brought them great prosperity. The province of Quebec annexed 379,000 square miles in 1912, virtually tripling the land mass of Quebec. The province of Ontario added 237,000 square miles in the north and western regions of the province, with federal consent, virtually tripling its area merely to fuel the necessities and provide for the essentials in developing the local economies in those two great regions. Ever since the first potash was produced in the Ottawa Valley by your ancestors, and perhaps some of ours, for use in the production of soaps, waxes and other important products, and ever since the first hydro electric station was established by Sir Adam Beck on the Niagara River, Ontario has been free to develop and own its resources without federal interference.

Now, Mr. Speaker, we have a number of legal precedents to the provinces' case with regard to ownership of offshore resources on the Atlantic and Pacific coasts. We have the

claim of Newfoundland that they came into Confederation bringing title to their offshore resources. We have the Nova Scotia claim, as documented by the charter of William Alexander in 1621, giving that province title to all lands as far out as 120 miles off the coastline. In the case of British Columbia we have a Supreme Court decision, at least in so far as the inshore waters from headland to headland are concerned, which says the resources beneath those waters belong to the province of British Columbia, not to Canada as a whole. That could be interpreted as a rather selfish statement—

An hon. Member: Oh, no.

Mr. Siddon: —but it is not because it has been the history of this country that all those regions which have prospered and developed with the benefit of their resources have in fact contributed to the national cause and the strengthening of this nation in a very generous fashion. That will continue, Mr. Speaker.

However, let us look for a moment at the leaked cabinet document respecting the first ministers' conference last September. Let us consider what it had to say about this question. The document recognized that all ten premiers felt the offshore areas within the immediate vicinity of provincial boundaries should belong to the provinces. The federal government put forward a proposal at that time agreeing to perhaps a 100 per cent "provincial-type" revenue sharing on those resources. Furthermore, there was an agreement or proposal that:

—bilateral joint bodies would be responsible for over-all management—

of these resources. Reading from page 18 of that document, Mr. Speaker, it is plain that the government viewed it as being essential that:

—if there is to be any possibility of reaching agreement with the coastal provinces, that the federal proposal be modified to give greater recognition to provincial desires for a significant voice in managing the offshore.

This present initiative, Mr. Speaker, as reflected in Bill C-48, flies completely in the face of that advice which the government received last September in advance of the first ministers' conference. It flies completely in the face of the Supreme Court initiatives, it flies completely in the face of all legal precedents. Therefore, I contend that what we see here is a dog-in-the-manger attitude on the part of the federal government which wants to push this legislation forward now unilaterally and without granting any role for the coastal provinces, contrary to their own undertakings last September. I submit, Mr. Speaker, that this is a cheap, childish and greedy way for the federal government to deal with the provinces. Instead of negotiating in good faith, it has chosen to mount an attack on the provinces. As in the constitutional initiative, they mount an attack as a smokescreen to cover up their own foul smelling plots.

The federal government chooses to deny the far-flung regions of Canada a resource base which they so desperately need to rise above colonial status, to rise above welfare dependency and poverty. In putting Bill C-48 forward in this way, the government has shown little maturity—in fact, none; no wisdom, and no compassion in their treatment of the coastal regions which might one day benefit from Canada lands resources. They have chosen instead the meat axe approach last summer of coming out sounding good and then coming along to chop, chop, chop, without regard for the views of the duly elected governments in those regions.

What about the future of the Atlantic region, Mr. Speaker? I was looking through some data yesterday in respect of the economic development of the four Atlantic provinces in particular. It is interesting to reflect on this data's significance. The graph I display here shows the per capita income from all revenue sources among the various provinces. It shows the Atlantic provinces are 33 per cent below the average per capita income enjoyed by Ontario, Quebec and Saskatchewan. Of course, at the present time Alberta's income is considerably higher. However, it seems to me to be a ploy of the federal government to equalize the bars on this graph so that the per capita income in every province is identical. I think if that should happen, it would be a sorry day for Canada because it would destroy mobility, the quest for opportunity in this country; in fact it would be completely contrary to the history of the first 100 years of Canada when Ontario and Quebec regard massive benefits from confederation.

May I call it six o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock, the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Siddon: Mr. Speaker, I will not be long in concluding my remarks on motion No. 3, which seeks to amend Bill C-48. Before the dinner hour I commented on the future of the four Atlantic provinces which would be affected by the amendment put forward by the hon. member for St. John's East. I referred to a graph which displays the income per capita from all revenue sources. It shows the four Atlantic provinces in recent times receiving approximately two-thirds of the national average revenue per capita. Do the Atlantic provinces have to consider forever being on the dole or dependent on the good graces of the federal government to enjoy prosperity?

In the context of Bill C-48 and the particular amendment before the House, the questions we are asking are: Will the Atlantic region ever have an opportunity to grow and prosper? What say will their provincial governments have, the governments of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick, in the development of their offshore resources? Will Bill C-48 enable those regions to become self-sufficient in oil and gas, or will this legislation hinder such development to the detriment of the Atlantic region, as is happening most demonstrably in western Canada at the

present time? If such development should proceed on the offshore lands of the Atlantic coast under the provisions of Bill C-48 and under federal jurisdiction, will the Atlantic provinces be assigned the same milk-cow status which western Canadians have tolerated for several decades?

I need only refer to two other tables which I have before me to show the reflections of history upon those great Atlantic provinces which were the founders of Canada in so many respects. If we look at the graph showing the density of population by land area for the four Atlantic provinces, we find that in the case of Prince Edward Island, Nova Scotia and New Brunswick the population density is some six times the national average, and considerably higher than that of the province of Ontario. Even in the province of Newfoundland, if we deducted the land area of Labrador, we would find that there is a reasonably high population density, approaching the national average. One would hope that the people concentrated in these regions might be able to find to some degree their own destiny using the benefits of their natural resources.

If we look at another table of Canadian Demographics based on the 1971 census, we find that the greatest migration of peoples within Canada is from the four Atlantic provinces to Ontario. More than 10 per cent of the population of each of those provinces in recent years has migrated to Ontario—10 per cent from Newfoundland, 14 per cent from Prince Edward Island, 13 per cent from Nova Scotia and 11 per cent from New Brunswick.

Why are we encouraging the furtherance of a regime managed from Ottawa which will keep Atlantic Canada forever on the dole and will encourage people to move to Ontario and to other areas away from the vast potential residing in that region?

In conclusion, I submit that we should all support the amendment of the hon. member for St. John's East to assure the future wellbeing of the Maritime areas of Canada.

Some hon. Members: Hear, hear!

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, after having listened to this debate over the last few days, I should like to speak tonight in an attempt to come to grips with the issues raised by hon. members opposite and with some concern that there are definite problems with the amendment in a number of areas. First, the amendment is drafted improperly. Second, the amendment as drafted has grave consequences for the control and jurisdiction of any government in Canada over the offshore.

I should like to refer to these matters and also to indicate to hon. members that the way the bill is drafted now is, in fact, proper and the only way it could be drafted to ensure that the word "Canadian" is used in the broadest sense and indeed to ensure provincial participation in the resources which lie offshore.

Let me start by reading precisely what is to be amended by the motion of the hon. member for St. John's East (Mr. McGrath). Bill C-48 gives the definition of "Canada lands" and refers to the right of the federal government to exploit resources located on the Canada lands, meaning those situated in the Yukon Territory, in the Northwest Territories, on Sable Island, or those submarine areas, not within a province, adjacent to the coast of Canada.

• (2010)

The key to this clause with regard to part (b) is those submarine areas not within a province. I hope hon. members opposite will keep that in mind as I go through my speech, since it is a very important point. The bill says that the definition of Canada lands applies to those submarine areas which are not within a province. I will go on to show why that is extremely important. The bill says:

—adjacent to the coast of Canada and extending throughout the natural prolongation of the land territory of Canada to the outer edge of the continental margin or to a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea is measured—

The amendment which is put forward by the hon. member for St. John's East indicates that we are to strike out lines 17 to 25 at page 1 and lines 1 and 2 at page 2 and substitute the following therefor: "west Territories". If we do that, then we would be striking out line 17 which now says "west territories, Sable Island", and we would simply be substituting "west territories", and the bill would then read "situated in (a) the Yukon territory or the Northwest Territories."

The problem is that there is a subclause (a) in that clause. There cannot be a subclause (a) if there is not a subclause (b). In other words, the hon. member's motion should strike out lines 16 to 25 on page 1 and lines 1 and 2 on the next page. Instead, it strikes out words beginning at line 17. First, there is an improper drafting of the amendment. Second, there is a serious problem with regard to the nature of the amendment and what it attempts to do.

As the Parliamentary Secretary to the Minister of Energy, Mines and Resources indicated earlier today, the amendment would strike out from the definition of "Canada lands" all offshore lands which are associated with Canada. There is a very distinct definition which has to be made between the offshore which belongs to Canada, over which Canada has title, and the offshore the resources of which Canada has the right under international law to exploit the resources but to which it does not have title. Indeed, no country has title beyond 12 miles. At one point in time the limit was three miles.

The point is that neither Canada nor the provincial governments have title, or can lay claim to title, over lands beyond 12 miles from its coasts, under international law. As a result of the hard efforts and the hard work of the Government of Canada in the negotiations under the law of the sea, we were able to obtain, along with other coastal states, the right to exploit the resources from 12 miles to the extremities of the continental shelf, or 200 miles. But that does not give the Government of Canada or the Canadian people ownership over that territory. It gives us the right to develop and exploit the

resources, whether they be marine resources or natural resources in the form of minerals or petroleum. But we do not have title. Thus, when members opposite raise the issue of provincial ownership of the offshore, at the very most they can be talking about the first 12 miles and no more because there is no way that they, nor we, can own beyond 12 miles. When we look at the speeches which have been delivered with regard to this bill, we find a singular lack of understanding of what the state of the law is, not only in Canada but in the world, with regard to resource ownership offshore, and the nature of Canada's rights in that respect.

Additionally, the amendment goes on to strike out all reference to the offshore. Effectively it is then saying that Canada has negotiated under the law of the sea for the right to exploit resources beyond 12 miles for naught. With regard to the resources which are defined in Bill C-48, neither Canada nor the provinces would have the right to go beyond 12 miles. In other words, if this amendment were accepted, then Canada's stake, Canada's ability to say that we have the right to manage not only the east and west coasts but especially the Arctic, could be lost.

Canada has been working extremely hard against pressure from the United States, for example, with regard to its claim over Arctic waters. If Canada were to withdraw and say that Canada lands include the Northwest Territories and the Yukon Territory, without saying anything about offshore, in a way we would be saying that we are giving up our claim. We would be saying that we are not staking our claim to the Arctic waters. That would be the height of folly, after Canada has worked so hard to obtain title, in a sense to obtain the right to exploit the resources in these areas, as well as the east and west coasts, offshore and the fishery. Then, to state in a bill which deals with Canada lands and the right of the Government of Canada, the people of Canada to exploit those resources—

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. I wonder if the parliamentary secretary would permit a question at this point.

Mr. Evans: If there is time at the end of my speech, Mr. Speaker, I would be glad to entertain a question.

I will try and go through the speeches of members opposite to document as clearly as possible where I think they have been off base, not only irrelevant in many of their speeches, and not dealing with the amendment which has to do with the definition of Canada lands and the exclusion of the offshore from that definition, but harbouring, a misconception of want is involved and what the government is trying to do. We have heard from the hon. member for St. John's East, the hon. member for Capilano (Mr. Huntington), and most recently from the hon. member for Richmond-South Delta (Mr. Siddon)—I used to live not far from his riding. Last night the hon. member for St. John's West (Mr. Crosbie) accused the government of trying to grab provincial resources. If we just talk about the east coast, there are no resources to speak of that we know of within 12 miles of the coasts of Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick. The resources are much farther offshore. If what I have said is correct, and if what I have been told by legal advisers to whom I have spoken recently in order to come to grips with this issue being raised by members opposite is correct, we do not have title to that territory and, therefore, if there are resources, they cannot be provincial ones. As a result, how can that be a grab of provincial resources?

The ownership question is one which is crucial in this debate. We have heard about socialism and we have heard about it not being equitable. I will speak to the question of equity in a moment. We have heard that this bill is a rape of provincial rights. Again I ask you, Mr. Speaker, what provincial rights? If the provinces had rights over the offshore, why is it that the province of Newfoundland, for example, could not control the fishery of its coast with regard to foreign fishing fleets coming in and taking the fish stocks? It was not until after Canada negotiated the continental shelf agreement that we were able to manage our own fish stocks off the east coast. The accusation that this bill is a rape of provincial rights is simply a red herring, so to speak.

I would like to go on and look at the issues raised by the mover of this motion, the hon. member for St. John's East. As reported at page 11464 of *Hansard* he said:

> Notwithstanding the stated position of the federal government within this policy paper—

A policy paper which was put forward on offshore resources.

> —on the floor of this House and during the course of committee hearings, that it would like to have this matter of jurisdiction between Newfoundland and Canada and Nova Scotia and Canada, the offshore question, resolved by the Supreme Court of Canada, we are presented with a bill—which in essence is a fait accompli—which defines "Canada lands" as the very areas the federal government feels are under dispute and which it feels should be adjudicated by the Supreme Court of Canada.

● (2020)

That is absolutely false. What does the bill say, Mr. Speaker? I refer you to my comments with regard to the definition of Canada lands. The bill referred to "those submarine areas, not within a province". "Not within a province" means that if the Supreme Court rules that a province has title over that to which it has some claim to jurisdiction, it will go out 12 miles. That will be "within a province" under this definition.

What about the rest of the territory going from 12 miles to the continental shelf? There is no claim to ownership of that. The Supreme Court is not going to rule that Canada owns that or that the provinces own that. Under international law there can be no ownership. There can be the right to exploit the resources. There can be no question that the bill is carefully and properly drafted to take into consideration precisely the concern being raised by the hon. member for St. John's East.

The hon. member for St. John's East went on to say that this question of ownership, meaning within 12 miles, has to be resolved by negotiation. The Prime Minister (Mr. Trudeau) has said on more than one occasion that the federal government is perfectly willing to sit down and negotiate management. If you do not own something but have the right to

manage, then the only thing you can negotiate is joint management. Newfoundland has been told, for example, that the federal government is willing to enter into a joint management agreement over those lands and that revenue sharing would be the same, from 12 miles to the continental shelf which Canada has the right to exploit, as it is for the province of Alberta.

The hon. member opposite asks why Newfoundland cannot own the offshore, meaning beyond 12 miles, I presume. If I have to go through that again, then I think there is a serious question of their listening or understanding.

The hon. member for St. John's East dealt with the question of ownership in his speech. After listening to him yesterday, I am quite confident that he was not talking only about the first 12 miles but was talking about the entire continental shelf, out to 200 miles and in some cases beyond, where the continental shelf goes beyond the coast of Newfoundland. That is the basic flaw, the basic fallacy; it cannot be owned.

The other point is that Canada has negotiated this treaty with other nations and Canada has the right to exploit, and also the responsibility for any occurrences which happen within that area under which Canada has been given jurisdiction. Therefore, if there are obstructions to navigation, the Government of Canada is responsible; if there is pollution, the Government of Canada is responsible according to international law, and the Government of Canada is responsible for the management of the fishery.

The question then arises, how can the Government of Canada be asked to be responsible for anything that occurs in that region which happens to violate international law and then be told that all developments and all management of the resources in that area must be under the exclusive control of the province? That is asking the federal government to take responsibility for something over which it is being asked to give away all authority. By any rational calculation, that is simply unacceptable. At the most, it should be precisely what the Prime Minister has offered to the province of Newfoundland: a jointly managed arrangement where the federal government can protect itself against those claims which arise in international law as the result of its negotiated treaty obligations over that territory.

Those are the facts, Mr. Speaker. That is the reality of the situation. The questions that have been brought out by the other side indicate that they have not read the bill and that they do not understand what this particular clause does and does not do. Hon. members opposite do not understand the reality of the 12-mile and 200-mile limits.

Let me go on now to indicate that this lack of understanding not only relates to hon. members opposite, Mr. Speaker, but also to the province of Newfoundland. The hon. member for St. John's East referred to a letter from the Prime Minister to the premier of Newfoundland outlining four principles. The first is as follows:

> That the province of Newfoundland should own mineral resources of the continental margin in so far as Canada should own them.

Canada does not own them, Mr. Speaker. It owns them out to 12 miles. There is a statement saying that as far as Canada should own them, the province of Newfoundland should own them.

The letter continues:

> That the Government of Canada should continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on.

They must have this because under international law, they have responsibility for those areas and therefore must have the legislative jurisdiction to protect the people of Canada.

Earlier the hon. member for Vancouver-Kingsway (Mr. Waddell) spoke about the same basic issue, and effectively said that there should be concurrent power in the federal government and the provinces in a number of areas such as environment, fishing, shipping, and so on and that, finally, there should be revenue sharing as a result, and that is the way Canada can work and be fair to all.

We could not agree more, Mr. Speaker. That is what has been offered, not only to Newfoundland but to New Brunswick, to British Columbia, to Nova Scotia.

I become more than a bit concerned when time after time, day after day, on bills such as this, with regard to an amendment that is improperly drafted and misconstrued, we hear the opposition harangue the government for doing something that the government is not trying to do. If hon. members opposite would read that definition carefully, they would see that it is not the intent of the federal government to strip away provincially-owned resources or to rape the provinces. The intent is to ensure that Canada protects its international claim under treaty to those areas off its coasts for which we fought so hard to obtain the international treaty. There will be sharing, there will be equity, but let us keep the question of equity and ownership and those realities in proper perspective. I hope, in the speeches that follow, hon. members opposite will keep these things in mind as they go on with their discussion of this amendment.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I wonder whether there is time to permit a question or two of the hon. member for Ottawa Centre (Mr. Evans). In his comments, the hon. member suggested, first of all, that the law of the sea convention has been concluded and ratified and is now universal law. He should know, of course that it is not even concluded.

The other point he suggested in his speech—and I wonder if he has it clearly in his mind—is whether the federal authorities, when negotiating international agreements, negotiate only in those areas and for federal purposes only and do they negotiate on behalf of all of Canada, including provinces-

Mr. Deputy Speaker: Order, please. The hon. member is really making a speech. If the hon. parliamentary secretary wishes to reply, he may.

Mr. Evans: Mr. Speaker, I shall try to respond very quickly. First of all, the hon. member is correct: the law of the sea convention has not been concluded. That makes my point even more firmly. If there is no formal treaty, we have even less claim than we had before under a treaty. As a result, how can we possibly talk about ownership in that situation? When the Government of Canada negotiates a treaty with other nations, it does so on behalf of all Canadians.

● (2030)

Mr. Deputy Speaker: Order, please. With all due regard, the hon. member's time has expired.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is a pleasure to speak to the motion of my colleague from St. John's East which reads:

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in clause 2 by striking out lines 17 to 25 at page 1 and lines 1 and 2 at page 2 and substituting the following therefor:

"west Territories".

There are a number of points I would like to make. First, I would like to say a few words in reply to the Parliamentary Secretary to the Minister of Finance (Mr. Evans). His argument is as difficult to grapple with as it is to grasp an eel in a large barrel of water. If you poke at it, it goes to the top. If you try to grab it, it will disappear. In other words, you get nowhere. Actually I have never tried to do it, but I believe that to be the case.

The parliamentary secretary stated that he consulted legal authorities. I wish he had the courage to tell us the legal authority for the legal opinions he has given. Perhaps he might consult with his colleague the Secretary of State for External Affairs (Mr. MacGuigan) who might correct the jailhouse lawyer opinion he has just given us.

Mr. Evans: On a point of order, Mr. Speaker. The answer is the Department of Justice.

Mr. Kilgour: I think the parliamentary secretary is aware that I used to work for the Department of Justice. I challenge him to name one individual, man, woman or child from there, who would come forward and give his name as agreeing with the legal opinion the parliamentary secretary just gave in this House.

The hon. member for Esquimalt-Saanich (Mr. Munro) just made the point that the law of the Sea Conference has neither concluded nor been confirmed. The 12-mile limit does not yet exist. Does the hon. member for Ottawa Centre pretend that the province of Newfoundland no longer has rights over its continental shelf? Does he believe that those rights passed from Newfoundland to the federal government in 1949 and that Newfoundland now has no right to advance in World Court an argument with regard to ownership off its shore? I will run out of time if I spend much longer on the nonsense the parliamentary secretary has been giving us.

Bill C-48 defines Canada lands as those areas the federal government feels are in dispute and upon which it believes there should be an adjudication by the Supreme Court of Canada. I wish to quote from the white paper, as was done by the hon. member for St. John's East. It is the white paper on the National Energy Program. I have to call it what they call it. I quote:

Under the British North America Act, large areas of Canada fall within federal jurisdiction. These Canada lands, which comprise almost twice the area of the 10 provinces combined, include the area off Canada's coasts—

I will quote only that far. That is hardly the way to deal in good faith with the provinces affected. It is another way of the federal government saying, "what is mine is mine and what is yours I am going to seize through legislation, and you can try to get it back in the Supreme Court of Canada". That is what this bill amounts to in legal terms.

I now want to deal with the position of Newfoundland with respect to offshore rights. Perhaps this sounds better coming from a western Canadian than from someone who lives on the island. There is not a single Canadian I suggest, over the age of 14 from St. John's to Nanaimo who does not know that Newfoundland's resources offshore belonged to that province when it was a dominion at the time it came into Confederation. Prior to 1949, Newfoundland occupied a unique position: It obviously owned its offshore resources to the extent that any country could own them under international law.

Both the hon. member for St. John's West (Mr. Crosbie) and the hon. member for St. John's East (McGrath) put the problems of their provinces here very eloquently. "We will let you have the revenue up to the point that you become a have province" said the hon. member for St. John's East of Ottawa's position. As was pointed out, Newfoundlanders now have half the income of the average Canadian. Is there a single person in this country, other than the Minister of Energy, Mines and Resources (Mr. Lalonde) and his *moutons silencieux* on that side who feels this is a fair way to treat the people of Newfoundland with regard to their offshore mineral resources?

Is this good faith? Is this a good way to treat people who voluntarily came into our Confederation in 1949? In my part of the country, this is called tricky dealing.

Mr. Wilson: It's bushwhacking.

Mr. Kilgour: As the hon. member for St. John's West said yesterday, it denies the people of Newfoundland their "place in the sun." I suggest it is enough to make any member of this House vomit. Our own party policy was referred to by the hon. member for St. John's East who quoted from a letter by the leader of our party dated September 14, 1979 as follows:

(1) That the province of Newfoundland should own mineral resources of the continental margin in so far as Canada should own them . . .

(3) That the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on.

(4) Those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

It is an absolute mystery to me how any Liberal member from Newfoundland can accept what these grab and seize people are trying to do with the legitimate offshore resources of 750,000 Newfoundlanders.

I read carefully the speech of the hon. member for Vancouver-Kingsway (Mr. Waddell). He actually said something with which my party can agree. Speaking to the parliamentary secretary to the so-called energy minister, he said, and I quote from page 11,468 of yesterday's *Hansard:*

He should understand that on the coast the people see coastal areas as an extension of the land. It is like land only it is under water.

I think hon. members of my party, and in fact all Canadians, can share in that view of the hon. member for Vancouver-Kingsway.

I now want to deal with the speech of the energy minister. If I tell you, Mr. Speaker, that the Energy Minister is not well loved in western Canada, Newfoundland or anywhere else, I think you will know what I mean. At page 11,473 of *Hansard,* the energy minister said:

The bill covers the entire Arctic, all offshore mining rights. Those are the areas which in the decades will provide for Canada the energy security it needs.

We feel as a government that those resources belong to all Canadians and that we should see to it that all Canadians benefit from them.

This implies all sorts of things. It implies, for and, that the so-called energy minister does not give a tinker's damn about the Cold Lake project in Alberta. Let me quote from an article by Ronald Anderson in the July 10, 1981, edition of *The Globe and Mail.* It reads:

And when Imperial announced its suspension of Cold Lake, a spokesman for Energy Minister Marc Lalonde said airily that the company had to make its own decision, almost as though Ottawa did not care about the suspension.

Does any member opposite deny that in fact they do not care about the consequences of the Cold Lake project cancellation? The article goes on to read:

Meanwhile, Mr. Lalonde, after a tour of Dome Petroleum Ltd. drilling operations in the Beaufort Sea, is reported by The Canadian Press to have talked confidently about the possibility of an oil surplus in Canada by 1990.

● (2040)

The minister, I suggest in parliamentary language, is stark raving mad if he thinks Canada is going to have an oil surplus by 1990 under his energy policy.

[*Translation*]

I may speak French at this time. The Fathers of Confederation were right in 1867 when they guaranteed to Nova Scotia, New Brunswick, Ontario and Quebec the ownership of "lands, mines, minerals and royalties" and "public properties". The foresight of our ancestors should still be an inspiration for Canadians today. Unfortunately, this government makes no attempt to create harmony among the ten equal partners that the Canadian provinces should be. Everywhere, this government is creating conflicts. The latest energy aberration of the Liberals is that of the minister responsible for this sector.

With the virtually avowed intention of breaking up the alliance of eight Canadian provinces against the constitutional position of this so-called Liberal government—and I have to laugh at this term—the Minister of Energy, Mines and Resources (Mr. Lalonde) offers Newfoundland to expropriate a corridor on Quebec territory so that it may export its electricity to the other provinces or the United States. It is most incredible that this corridor could be expropriated and that electricity could be transmitted over more than 900 miles without having to maintain this high-tension line at a higher cost practically than any profit that might be made. In return, what will this government ask Newfoundland? Will it be to give up its offshore mining rights? Will it be a tax on any profit derived from the sale of this electricity?

The government sets the provinces against each other the better to rule and impose its own views. It is totally unable to solve the energy problems facing all Canadians. If the National Energy Program is as good as the promises concerning the price of gas, I have to be very doubtful about the relevance and the effectiveness of Bill C-48. The major questions that all members opposite should ask themselves is whether it is really necessary to centralize in Ottawa what might well be achieved through consultation—are those opposite aware of the meaning of the word "consultation"?—with those who must live every day with the problems created by this government.

Had this government expended as much energy on trying to reach an agreement with the provinces as it did on making them aggressive, I am not saying that federal-provincial relations would be the reflection of undying love, but we certainly would not be talking about separation, divorce and Supreme Court settlements for everything at every moment. Canada should have a national energy program, fair enough, but we have to draw the line when the implementation of that program is going to be detrimental to what took us 114 years to build. We Progressive Conservatives had initiated a détente with the provinces; we covered more ground towards harmony in six months than it took this government to foster hatred and mistrust in one week. It is easy to depict the state of current relations—a country made up of ten provinces and two territories which are on the verge of breaking up as a result of a lack of appreciation for the Canadian reality and the nearly non-existent concern over Canadian regionalism. That is not what I wish for my country, but that is what is very likely to happen if this government or a better one fails to settle the various problems which confront us. Mr. Speaker, how can anyone considering this bill believe in the good faith of this government when that same government cannot even see eye to eye with Alberta on the price of oil from that province, or else with Quebec on the substitution of petroleum for gas or electricity?

[*English*]

Perhaps Mr. Speaker, you will permit me to quote on this from a letter I wrote which appeared in the current issue of "Saturday Night" on the subject of the national energy policy. I think I speak for many in western Canada and elsewhere. I wrote:

The reality is that provincial resource control to most westerners—

The reality probably is the same for most in the Atlantic provinces as well. The article states:

—provincial resource control to most westerners today is perhaps as important in a juridictional sense as language and culture are to francophone Quebecers, because resources give us for the first time an opportunity to become full partners in our own country. The federal assault on the oil and natural gas of the three mostly westerly provinces, under what the government insists is a "national" energy policy, is to many of us the equivalent of parking tanks on a fellow countryman's front lawn.

That is in economic terms. The quotation continues:

In terms of its effect on many western livelihoods, and on the goal of achieving national self-sufficiency in these two products—

These two Canadian products—they advertise on television telling us to "buy Canadian", but oil and gas are not Canadian products, I gather, according to these turkeys. Gentlemen from rural ridings will know how turkeys are regarded among the animal kingdom.

Mr. Deputy Speaker: Order, please. I think the hon. member is straying a little from the amendment before us. I invite him to return to the subject of the amendment.

Mr. Kilgour: I guess the rest of my speech, Mr. Speaker, does not really relate to the motion. How much time do I have?

Mr. Deputy Speaker: About five minutes.

Mr. Kilgour: I take it the Chair is enforcing the relevance rule tonight.

Mr. Deputy Speaker: These attempts to enforce the rules are strictly impartial on all occasions.

Mr. Kilgour: Mr. Speaker, my respect for the rules and the Chair is such that I will not continue to deal in irrelevancies. I would ask, sir, that in future when people get up and talk about anything except the bill or the matter before the House, the Chair will impose the rule with the same vigour.

Mr. Deputy Speaker: The chair recognizes the difficulty in always being consistent, but does its best.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I certainly hope the Chair will ignore the hon. member's last remark. I should like to start off by complimenting my colleague, the hon. member for St. John's East, (Mr. McGrath) on his motion that we are debating today. It is one of tremendous importance for people who live in coastal provinces. I am glad it is before us and is so well debated, with the odd exception.

I thought the parliamentary secretary was somewhat irrelevant. He was talking about its not being the intention of the government of Canada to strip the resources from the provinces. He should recall what the Minister of Justice (Mr. Chrétien) said last year when he was touring Canada. He was asked why the government was so keen on imposing the strict regime it was imposing on Alberta. He remarked, "We need the money, and you get the money where the money is." With remarks like that coming from cabinet ministers it is very difficult for people to accept the statement that it is not Canada's intention to strip any of the resources from the provinces.

I was impressed by the speech last night by my colleague the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). He made some comments about the New Democratic Party energy critic. I took particular note of them when I read his speech over today. My colleague mentioned that this 38-year-old adolescent, the hon. member for Vancouver-Kingsway (Mr. Waddell), had avoided giving any idea of the position of his province. He claimed to be speaking for his province several times during his speech, but not once did he mention what the province of British Columbia has in the way of a policy concerning resources. I thought he might at least have given us Mr. Barrett's policy on the resources in British Columbia, but he managed to avoid both.

• (2050)

I believe the hon. member is setting a new record in the House of Commons for spurious and irrelevant points of order and questions of privilege. He may well end up in the Guinness Book of World Records over this, but he comes by it honestly. I believe he inherited it from his predecessor, Mrs. Simma Holt, who is noted for the same characteristics. Hon. members will recall that Mr. Speaker Jerome used to be very fast when the then hon. member for Vancouver-Kingsway rose on a question of privilege. We used to time her at about 90 seconds before she would be asked to sit down so that the House could go about its ordinary business.

I agree there were some good points in the hon. member's speech about the attitude British Columbia has to its tidewaters and the waters particularly between Vancouver Island and the mainland. Except when the usual NDP anti-American paranoia crept in, the hon. member was making some sense. One should treasure it when it comes from that source.

I would like to remark that once again the Progressive Conservative Party is the only one left to speak for British Columbia or to advance British Columbia's aims in this House, particularly in energy matters.

Let us look at the Minister of Energy, Mines and Resources (Mr. Lalonde) for a moment. The minister was accurately described by the hon. member for Rosedale (Mr. Crombie) when he said that Marc Lalonde would manage to pick a fight going to church in the morning. He did something similar in the House on March 12 when I asked him if he was aware of the effect his energy policy and his incursion by means of the excise tax into the natural gas market between British Columbia and the northwestern United States had on the budget in my home province, to which, in his usual fashion—although he was not on his way to church that day—he said:

Madam Speaker, I am only sorry that the hon. member believes the Socred propaganda of that particular government in its budget.

One can see how this minister goes around rather like Typhoid Mary spreading discontent and abrasiveness everywhere he goes.

I thought it might be beneficial if I were to read a few remarks from the budget the minister considered to be propaganda. He might obtain an understanding of how the government of British Columbia operates. It is the elected government of British Columbia. I do not belong to the party which forms the government there, anymore than I do the one which forms the government here, but it is in power there and has a right to express its policies. The Hon. Hugh Curtis from southern Vancouver Island said the following during the budget speech:

> The problem of slow revenue growth would have been difficult enough even without the measures announced in the October federal budget. Now, the situation has become critical. The Canadian government has introduced new energy taxes that directly reduce provincial revenue. More significantly, the federal has increased the tax burden on the petroleum industry and has reduced the incentives to explore for and develop new oil and gas fields in British Columbia.

He went on further:

> Over the period 1980-81 to 1983-84, federal taxes have a very real potential of reducing provincial revenue by over $1 billion.

In answer to my question on March 12, the Minister of Energy, Mines and Resources pretended that there was no effect on provincial revenues. He gave this curious answer:

> Madam Speaker, every gas consumer in this country is paying the same amount of federal tax under the last budget.

Mr. Evans: You are not being relevant and you know it.

Mr. McKinnon: He completely ignores the fact that there are only three provinces in Canada which produce natural gas, and their ability to tax it is limited by the price at which they can sell it. The minister lives in a funny dream world.

Mr. Evans: Mr. Speaker, I rise on a point of order. I have to ask that the hon. member be somewhat relevant to the bill. He is talking about Bill C-57. This is Bill C-48.

Mr. McKinnon: Mr. Speaker, perhaps the parliamentary secretary is challenging the hon. member for Vancouver-Kingsway about spurious points of order. I do not know, but gas lands are offshore as well as on the Canada lands. I believe gas reserves also come into this. However, the fact is that these matters are dealt with in the energy policy, and this bill is part of the energy policy the government is bringing in. This bill would have a considerable effect, and hon. members opposite do not seem to understand that. When one is trying to sell a product like natural gas in the United States, the Americans pay only so much, and then they start finding cheaper alternatives. That is what is happening to British Columbia at the present time.

The Hon. Hugh Curtis went on to say:

> This government is not prepared to consider borrowing to pay operating expenses.

I am sure this would shock the parliamentary secretary something terrible.

Mr. Wilson: He just left.

Mr. McKinnon: This is what the finance minister in the British Columbia government said:

> This Government is not prepared to consider borrowing to pay operating expenses. Too many governments have adopted this shortsighted way out of their financial difficulties only to find that tough decisions become even tougher to make as the debt load accumulates.

Mr. Deputy Speaker: Order, please. I must ask the hon. member to address himself a little more specifically to the amendment before us. He is straying from the subject matter of the amendment.

Mr. McKinnon: Mr. Speaker, I bow to your wishes, of course. I understand that some hon. members across the way blanch considerably at the mention of a government which is not prepared to borrow money to pay operating expenses. Perhaps I should go on to things less strange to them.

With respect to the problem concerning offshore resources, there are really two competing claims or philosophies which have been operating for many, many years. First, there is the federal authority which is based on the "authority in matters of trade and commerce" which is spelled out in the BNA Act. This conflicts directly with another item spelled out there whereby the provinces own their natural resources, which gives them a proprietary interest. I thought it might be of interest to hear what an expert in this field says. I refer to Dr. Bushnell of Windsor University. He says:

> No one doubts that the provinces do own their natural resources—

This was before the parliamentary secretary made the opposite statement. However, Dr. Bushnell said at that time:

> No one doubts that the provinces do own their natural resources (except for those which have been granted to private persons, and of course the granted resources could be acquired once again by the provinces), and that ownership rights allow the provinces to collect revenue.

What is the effect of this dichotomy between the provinces with their claim and the federal government with its claim? The provinces have power because they have the ability to determine the terms of leases and grants of mineral rights. The power of the federal government rests within the trade and commerce section of the BNA Act which permits it some pricing authority. There can be deadlocks, and there is one at present between Alberta and the federal government. The federal government has been gathering power in this area for several years, and quite a bit of it is due, of course, to the findings of the federal Supreme Court. Bushnell goes on to comment about this as follows:

> In the interpretation of the trade and commerce power the Supreme Court has since 1957 expanded the Dominion's power from the attenuated position given it by the Judicial Committee of the Privy Council . . . it would not seem feasible that the same Court, as long as a majority of the judges maintain the same interpretation of the trade and commerce power, would take with one hand and give back with the other by allowing proprietary rights to overcome the restriction on provincial power achieved through the trade and commerce power. Possibly allowing provincial control through the exercise of proprietary rights could be viewed as a compromise position, in that the exercise of proprietary rights has only the effect of nullifying the negative impact of the trade and commerce power and not the affirmative impact. Thus the provinces, through their proprietary rights, would be able to control natural resources in the absence of Dominion legislation. But in order to create that so-called compromise position the Court would have to give section 92(5) of the BNA Act an

interpretation which to date has not been given to any other provision in the Constitution. Section 92(5) would have to be interpreted to allow the province to legislate in relation to trade and commerce because it is dealing with provincially owned property.

● (2100)

The position of British Columbia is of course fairly well known. They were one of the later provinces to come into Confederation, and it is ridiculous to think they came in leaving their offshore behind them belonging to some world power or something. They had the rights to the offshore before they joined Canada, and made a strong case in 1967, as mentioned by the hon. member for Capilano (Mr. Huntington). They lost that case in the Supreme Court of Canada. However, the B.C. court of appeals ruled that the waters and seabed of the Juan de Fuca Strait, Georgia Strait, Johnson Strait and Queen Charlotte Strait belonged to that province. I understand the federal government lodged an appeal in that case which has yet to be proceeded with.

Now, it might be of interest to examine the history of this dispute. One of the hon. members opposite claims there is something immoral about not accepting the Supreme Court decision, as though it were carved in stone. In 1978, at the first ministers' conference on the Constitution, the Prime Minister (Mr. Trudeau) accepted offshore resources as an item on the agenda for constitutional review at the behest of Nova Scotia and Newfoundland. In February, 1979, at the first ministers' conference on the Constitution, the Prime Minister tabled a draft of the federal proposal that accepted the principle of concurrent legislative authority over offshore resources management.

A significant part of the judgment handed down in 1967 was that it applied only to British Columbia. However, the federal Department of Justice said the decision almost certainly means the BNA Act, the basis of the Canadian Constitution, will have to be amended before B.C. can gain offshore jurisdiction. Oil exploration off B.C.'s coast has shown little promise, but mining concerns have expressed interest in manganese nodules on the seabed floor.

It is obvious in following this that there is room for compromise. I feel quite certain that if the federal government were at all certain it has the right to these offshore resources, it would not be offering any kind of deal to a province. The smash and grab artists on the other side will give you absolutely nothing that they are not forced to give you. I think when they talk about a 75-25 split in the case of the Atlantic provinces, they are in fact admitting they have a very weak case.

What is needed is an honest, sincere look at the situation. We cannot go on with the stalemate between Alberta and the federal government. Other provinces do not wish to find themselves in a position where they have to exert their rights and harm other Canadians in order to protect their own interests. Yet this is what they are being forced to do by the abrasive Minister of Energy, Mines and Resources.

I would hope, Mr. Speaker, that we can somehow or other come to an intelligent compromise where by the rights of the provinces will be respected, and we will get away from the philosophy of the Minister of Justice that because they are so quick to take more money which belongs to other people.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to be able to rise and speak on Bill C-48, motion No. 3 as it relates to the Canada lands, and particularly to the offshore resources.

The hon. member for St. John's East (Mr. McGrath) has brought to the attention of this House something he is very concerned about, and I believe he made a very good presentation on behalf of his province. I would like to draw a parallel between what we find in the province of Newfoundland, and the provinces of Saskatchewan and Alberta, indeed all of Canada as it relates to the energy policy in Bill C-48, and what we are dealing with in this House. The average income in Newfoundland is $4,000.

An hon. Member: Shame.

Mr. Gustafson: The average income in Ontario is $9,800. Here we have a small province which, when it came into Confederation, was looking for a better future. Now we have a government which, under a disguised energy policy, is making a power and money grab. This is not an energy policy at all because it has not created one extra barrel of oil. In fact, we have lost thousands of barrels of oil in western Canada. I think it was well put by the hon. member for Calgary Centre (Mr. Andre) when, in speaking in Estevan, Saskatchewan to a group of people who are very discouraged by this policy, he said this is not an energy policy, this is a policy to grab power for central Canada. Make no mistake about it.

Now, what is the parallel we see here between Newfoundland, which thought it had a right to fish in the ocean and bring back fish for the province—and it did—and which thought it had some oil. They did not know it was there a few years ago, but suddenly there is a newfound wealth. Now the power grabbers from Ottawa want to take this newfound wealth and filter it through this place. Well, they are going to spill a lot of it, I tell you. What is the parallel here to Saskatchewan and Alberta? The whole energy policy is designed along the direction laid in Bill C-48. Investigate this closely as in the coming days we will be relating it to how the government is seeking to nationalize the oil industry, and you will see that never before has a bill been brought before this House which has taken such great steps to nationalize the oil industry as does this bill before us. Through Petro-Canada, the government takes 25 per cent of all existing oil resources in the Canada lands, the Northwest Territories and the Yukon. All that has to happen is for that percentage to change from 25 to 50 to 75, and you have a nationalized oil industry in Canada.

I want to say without equivocation: this policy is not going to work. It is going to have repercussions which we in western Canada have already felt very severely. What have those repercussions been? We have driven out 170 oil rigs. The independent oil people tell us that they believe we will lose half the fleet or 250 oil rigs. The energy policy has driven out 85 service rigs and along with the oil rigs and the service rigs,

many winch trucks, caterpillars and other related heavy equipment. What has the loss been to Canada? We have suffered a tremendous economic loss under this energy policy. Who knows what the people of Newfoundland will lose? These are people who, like the people of Saskatchewan, need it. What does this do to Canada?

• (2110)

We in the Conservative party view Canada as a great chain and each province as a link. British Columbia contributes some lumber; Alberta, some oil and some gas; Saskatchewan, some wheat; Manitoba, some wheat and some power; Ontario, the great manufacturing area of the country, various manufactured goods such as rubber and so on. In fact, Ontario might be the greatest loser when it comes to the energy policy before us. The parallel is that Canada could become a nation of great strength, with each province making its contribution as a link. But if we have a government which wants to seize power from every one of those links, the links will be broken down and we will not have a Canada.

Is it any wonder that the people of Newfoundland are somewhat concerned about their industry and their resource, just as the people of Saskatchewan are very concerned about their resource? It is interesting to note that even the NDP in Saskatchewan woke up about a year late. They supported the government until it got itself into a mess which I do not think it can straighten out. Mr. Blakeney will have to bear a certain responsibility in the history of the country in allowing the Liberal government and the Liberal-NDP coalition to bring about an energy policy which has had a devastating effect upon the whole economy of the country as no other business arrangement has had in the history of Canada. Some people project that the energy policy is costing Canadians in lost opportunities and spin-off benefits about $1 million per hour, or $24 million per day.

The Acting Speaker (Mr. Ethier): Again I regret to interrupt the hon. member. I am trying to convince myself—and I would like the hon. member to convince me—that his argument has any relevance to the motion before us. For the benefit of hon. members, motion No. 3 reads in part as follows:

—be amended in Clause 2 by striking out lines 17 to 25 at page 1 and lines 1 and 2 at page 2—

Again for the benefit of hon. members, those lines read:

—Northwest Territories, or Sable Island, or

(b) those submarine areas, not within a province, adjacent to the coast of Canada and extending throughout the natural prolongation

of the land territory of Canada to the outer edge of the continental margin or to a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea of Canada is measured, whichever is the greater.

If hon. members want to refer to Canadian ownership, they can do so when we discuss the bill because it is not included in the motion. I invite hon. members to address themselves to the motion.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I have sat through this debate and have tried to pay close attention. I understand Your Honour wants to maintain the general rule of relevance. I am sure that is the intention of every hon. member of the House. I sat through the speech of—and I make no reflection on Your Honour's observations—the Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Simmons). The difficulty is that he did not say one word with respect to this amendment, and there was no intervention by the Chair. Yet, when we rise to talk about this motion, the Chair intervenes.

The Acting Speaker (Mr. Ethier): Order, please. That argument was brought forward this afternoon. The answer which I gave to that argument this afternoon was that when hon. members make their remarks, we in the chair often give quite a bit of latitude and are very lenient as far as the rule of relevance is concerned. We had listened to the hon. member for St. John's West (Mr. Crosbie), and I would say that most of his remarks strayed from the motion. Therefore, I had to be lenient also with regard to the parliamentary secretary, but on two occasions in the middle of his speech I asked him to direct his remarks to the motion before us. I want no one to feel offended if I do so again. I invite hon. members to address the motion before the House. If not, I do not know why they would need a speaker or someone in the Chair. We have a rule of relevance, and I hope hon. members will abide by it. The hon. member for Selkirk-Interlake.

Mr. Skelly: Mr. Speaker, it is Comox-Powell River, which is a little distance beyond Selkirk-Interlake.

Mr. Hnatyshyn: You are now part of the Canada lands.

Mr. Skelly: The unfortunate part of compelling absolute and strict relevance on the first clause of a bill is that it is difficult to set the context within which the debate will take place.

The Acting Speaker (Mr. Ethier): Order, please. That argument was also raised by the hon. member for St. John's East (Mr. McGrath). Again, I must remind hon. members that we are not dealing with the first clause of the bill. We are dealing with motion No. 3, and I hope hon. members understand. I have clearly read motion No. 3. I am at the disposition of the House. If there is unanimous consent that we discuss the whole bill, I will accept it.

Mr. Evans: No.

The Acting Speaker (Mr. Ethier): Otherwise, I will invite hon. members to discuss the motion.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, it is not a matter of being broad in the sense of discussing everything under the sun.

Mr. Evans: Respect the ruling of the Chair.

Mr. Munro (Esquimalt-Saanich): This particular amendments affects the definition of Canada lands. The last speaker was talking about revenues and ownership. Section 40 deals

with Canada lands and the royalties derived therefrom. Canada lands must be properly defined in terms of revenue. Obviously this is a money bill. The government is seeking more funds for its treasury. In that context, the limitation we seek on Canada lands is intented to restrict the extent to which revenues can be derived. Therefore, the relevance between funds collectible and the Canada lands is quite obvious.

The Acting Speaker (Mr. Ethier): With all due respect, I am sure the hon. member speaks with certain authority because of the long time he has been in Parliament, but I must say that the same speech could be repeated after we have passed the motion and are discussing clause 2. Motions are brought to discuss specific problems which hon. members find in a bill. The hon. member for St. John's East wants to have this particular clause excluded. I should like to be convinced by speakers as to why the motion was brought, but certainly when one wants to discuss the whole energy policy, it should be done when the bill is being discussed.

Mr. McGrath: Mr. Speaker, the reason I framed the amendment and moved it in the first place was that the exclusion of coastal areas from the Canada lands would mean that the revenues from offshore resources would accrue to the provinces. Revenues are at the very heart of the amendment.

Some hon. Members: Hear, hear!

• (2120)

Mr. McGrath: If you are now ruling, Mr. Speaker, that it is irrelevant to raise the question of revenue, then there is nothing left to discuss because you will have destroyed the whole thrust and purpose of the amendment.

The Acting Speaker (Mr. Ethier): I do not think I said that it was not relevant. I said that if the energy policy is to be discussed at length on this motion, then the Chair must take a stand at some point. I heard the hon. member for Assiniboia (Mr. Gustafson) talking about the energy policy and about the Canadian ownership program, which comes after motion No. 3 and which is not included in it. Therefore, the debate could be repeated again. If members wish to include in the debate the pricing dispute between Alberta and Ottawa, then I do not think that has any relevance to this motion at all. That is where I wish to draw the line. If the Chair is wrong, then I invite hon. members to guide me on this point.

Mr. McGrath: Alberta is now enjoying the revenue from these Canada lands, and the same is true of Saskatchewan.

Mr. Gustafson: I hope that the time which has been used in debating this issue will not be subtracted from my allotted time.

I will try to follow very carefully, and I believe I have, the issues which are before us. Nothing is more important to the energy policy of this country than the offshore oil relating to the Canada lands and its submarine areas. We are talking about an area which includes ten provinces of this country and from which some day the greater part of oil and energy may be produced in this country. Thus, this issue bears a direct relationship to the energy policy. In the total concept of Bill C-48 there is nothing more important to discuss than the submarine areas and the issue being raised in motion No. 3 as to who controls these resources and who is to receive the revenue from them. If we cannot address ourselves to that issue, then there is nothing to address.

However, the parallel I was trying to draw here has to do with the concept of the government taking control through its energy policy, and particularly through Bill C-48. This is why the hon. member for St. John's East has addressed the important area of who controls that resource. In fact, in my opinion that is why we are having so much trouble in terms of the whole energy policy. Who controls the resources in the provinces is one thing. The whole question is that of control. This is the reason we are having so many problems with regard to the Constitution—we are talking about who controls resources.

Some hon. Members: Hear, hear!

Mr. Gustafson: If this House is to be limited to the point where we cannot discuss this vital issue which is before us, then we are in serious trouble in Canada. What is happening to the people of Newfoundland and their resources? This government, every member of Parliament on the Liberal side and 98 per cent of those in the New Democratic Party, will have to bear the responsibility of bringing a change to government patterns, something that has never happened before in the history of this country.

The traditional direction of dealing with offshore oil, or with oil found anywhere in Canada, has been that the government of Canada—the Liberal government—has a method of taxation and royalty which brought in a fair share of income for the people of Canada. We in the Conservative party believe in a fair share with regard to offshore oil for the people of Canada, and particularly the people of Newfoundland. Let us bring this about through the traditional method of taxation and royalty.

Some hon. Members: Hear, hear!

Mr. Gustafson: Let us not bring this about through the nationalization of our oil industy, because if that is done to the people of Newfoundland, Quebec, Ontario, Saskatchewan and British Columbia then they can expect that their gold and nickel mines and their steel industry will be nationalized in the same way our great oil industry is being nationalized by this government. One day every member of Parliament will have to bear responsibility for that to the people of Canada.

Before Bill C-48 is passed, I hope the government comes to the realization of exactly what it is doing. There is no more important area than that covered by motion No. 3, which relates to the area surrounding British Columbia, the maritime provinces and Newfoundland. It just so happens that right now off the coast of Newfoundland the development is such that we are focusing our attention on that area. One of the problems we always have is that we cannot see the forest for the trees. After listening to the Minister of Energy, Mines and

Resources (Mr. Lalonde) for 18 months, I do not think he is under any illusion as to what he is doing through this bill and what he is doing to the people of Newfoundland, which parallels what he is doing to the people of Saskatchewan and Alberta. Along with the Prime Minister (Mr. Trudeau), he intends to take from the provinces the very control of those resources which under the BNA Act, and under documents which were prepared before Newfoundland entered Confederation, they had the right to control.

Some hon. Members: Hear, hear!

Mr. Gustafson: There is no question in my mind that the minister could reach a pricing agreement in one day if it were not for the fact that the provinces of Newfoundland, and the other provinces, are concerned with the issue of the control of resources offshore.

In closing my remarks I say that if Canada is to remain a strong chain, if it is to remain with its links binding the country together, then let us address ourselves to Bill C-48 and take a long clear look at what the Liberal government is bringing upon the people of Canada by trying to nationalize the oil industry.

Some hon. Members: Hear, hear!

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I am very pleased to have 20 minutes to speak on motion No. 3. I believe it is the key motion which is before us. More than that, I think it is what differentiates this government from the opposition, the Tory Party in particular, and surprisingly enough from the New Democratic Party.

What we are really talking about on this side of the House is a bill which defines what is a nation. What is being talked about on the opposite side of the House is the whittling away of a nation so that there is nothing left.

Let us look at the motion which is before us, since it is a very interesting one. The Chair has just read the gist of the motion. It would remove Sable Island from the definition of Canada lands. That is the first thing it does. Let us consider Sable Island for a moment. The first time I saw mention of Sable Island was in Article 91.9 of the British North America Act, where the island is included under the powers of the Parliament of Canada. What we are trying to do is to amend the British North America Act. We are taking something in the British North America Act and saying that it is no longer there; it is not part of Canada lands.

• (2130)

I am not a lawyer and I do not want to spend a lot of time on this side of the situation, Mr. Speaker, but in the British Columbia case which dealt with who owns the territorial waters and the continental shelf, the province of British Columbia or the federal government, the most obvious reason that the British Columbia claim did not hold up was that the matter was not covered in Section 92 of the British North America Act.

As I recall my history, when the Fathers of Confederation were setting up this country, they had an image of what was across the border that scared them. One of the reasons this country was put together was the possibility of attack from across the border. When they wrote the British North America Act, which was later passed by the government of Great Britain, they were interested in setting up something which was much stronger. Unfortunately, members of the Tory party today forget that it was our first prime minister, Sir John A. Macdonald, who wanted a very strong nation.

One of the things that the Fathers of Confederation did was to leave in the hands of Parliament those things that were not enumerated.

In many ways, we are trying to take away from the British North America Act something which I think all of us believe only the British Parliament can do. I will grant, Mr. Speaker, that there is a considerable difference in the case of Newfoundland. There is no question about that. In the case of British Columbia and the other territorial waters off, Newfoundland, New Brunswick, Prince Edward Island, jurisdiction was just to the edge of the ocean. Anything east of the Pacific Ocean was in the province of British Columbia, up to the border of British Columbia. It was the same with the other provinces. In the case of Newfoundland we are dealing with quite a different concept and I will not go into it now. I certainly will not get into the question of international waters.

Since I have the floor, Mr. Speaker, I would appreciate it if I could carry on a monologue.

I should like to make the point that we have the Geneva agreement and we have treaties. We are talking about the 200-mile continental shelf which permits only the state, that is, Canada, to exploit land in that continental shelf or beyond the 12-mile limit of what is known as the territorial ocean.

How, as a self-respecting nation which belongs to the summit group and which is hosting a meeting of the most powerful non-communist states in the world next week, can we say that we are no longer in control of that area but that the provinces have control of it? I do not understand this.

I do not understand how the two opposition parties can put themselves in the position where they want to change the British North America Act right in this House. They do not even want to ask Britain to do it. After all the fuss the Tories made about going to Britain or even going to the courts to find out whether we could do it, we are saying that Sable island is no longer part of the Canada land. But there it is, in Section 91(9), Sable Island. Section 92 does not mention the offshore or territorial waters, so clearly under the British North America Act it is within the realm of the Parliament of Canada. Are we to accomplish this by just changing one act?

There is nothing to stop us from doing it, Mr. Speaker. But there is a very serious question about whether it would have any relevance. We can always make laws that contravene the British North America Act, but of course the courts would not sustain them.

Another thing about this provision has bothered me for a long time, Mr. Speaker. At the beginning of my speech I mentioned what is the key to the whole of Bill C-48 and that is, again, the question of what is a nation and the question of the provinces owning resources and the federal government owning resources.

In another place I raised the question when the hon. member for St. John's East was present. I did not make a complete argument then and I was not able to get back to the question. I always respect anything that the hon. member for St. John's East does, because he does it very thoughtfully and very carefully. His answer disturbed me, however, and having thought about it a good deal, I should like to respond to it.

Basically, what I said refers not just to the province of Newfoundland, but also to the lands in the north, the lands claimed by the Dene nation. There is a long history of manipulation of small states, and provinces, or what have you, throughout the world, particularly in the United States and Australia, by large multinational, global corporations. Traditionally, it has always been easier to manipulate a state or a province than to manipulate a whole country. I think this is important and I think it should be remembered, particularly by the NDP. There are many stories about this kind of manipulation in states such as Oklahoma and Texas, and it was a major factor in the whole offshore fight.

As I recall, the hon. member for St. John's East said that, coming from Ontario, I was being patronizing by saying that Newfoundland could be manipulated. I said something else, and I will come to that in a minute. I thought about this, because actually I asked: would it not be better if the province of Newfoundland, if the Territories, the Dene peoples' land, and so on, had a sharing arrangement? In the case of Newfoundland, the Government of Canada has offered 100 per cent of the revenue to that province. Would it not be a better situation to let the federal government face the multinational companies?

The hon. member for St. John's East replied that I was being patronizing, or something to that effect. He can correct me if I am not telling the story properly. I thought about northern Ontario where I come from. Precisely the same thing has happened to us in northern Ontario, a weak but large part of our province. We are virtually treeless now, or will be treeless if we do not do something very quickly, because the province of Ontario has been manipulated by a large number of paper companies over the long term. Basically we are now in a position where the economy of the north is in serious jeopardy. In light of this I have someting to say to the province of Newfoundland, to the other Atlantic provinces that would be involved as the result of this motion, and to the people of the Northwest Territories and the Yukon Territory. It is much better at this stage that we as a nation share in these resources. We should share the revenues with those parts of the country which have the resources. However, the ownership or control of these kinds of resources and the resources in those areas which would be excluded by this motion must remain in the hands of the federal government, from the international point of view, the British North America Act and the equity of the whole country.

● (2140)

The people of Canada should understand the meaning of this motion. This motion would take away from the people of Canada control over those lands which belong to this country and offshore resources which under international law and the British North America Act belong to this country. Every Canadian should know what is happening in this House tonight.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have to admit that this has been a spellbinding debate. The hon. member for Assiniboia (Mr. Gustafson) and the hon. member for Thunder Bay-Atikokan (Mr. McRae) certainly have rare gifts and unique views of the universe, and certainly opposite.

Tonight I want to deal with something which fits directly into my riding. The area off the west coast that is seriously being considered affects directly Comox-Powell River. The shallow basin that exists there has an estimated 300 million to four billion barrels of oil, and maybe as much as 90 trillion cubic feet of gas. That sits right off my riding in Queen Charlotte Sound, Hecate Strait, Johnstone Strait and off the west coast of the island. Motion No. 3 deals with the definition of Canada lands. The Northwest Territories and the Yukon certainly are lands that belong to the Government of Canada as well as the offshore area in the Arctic.

These, however, are not clearly Canada lands. There are other claims, such as aboriginal claims of peoples who were here before the tenure was decided. Those questions must be decided. Ownership of the oil and gas in those lands are called into question. This provision deals with it before those claims have been dealt with. I suggest that removal before dealing with those questions could be removing somebody else's property, and that should be effectively dealt with.

I now want to deal with the other submarine areas adjacent to the two coasts, British Columbia and areas off the Atlantic coast. I understand this motion would advocate that we delete Sable Island and the adjacent submarine areas. That makes sense, but certainly from very different points of view than those raised by members opposite and members to my right.

The two basic questions we face in this bill is, first, that the federal government advocates total jurisdiction. The second major issue, and it has been raised effectively by my colleagues to the right, is the question of tremendous discretionary power in the hands of the minister.

The basic question is: should the federal government have complete jurisdiction over development of oil and gas in offshore areas adjacent to the provinces? I feel, as do a lot of others, that the answer to that question is no. Bill C-48 gives the federal government total jurisdiction and gives the minister unfettered discretionary power. The minister continually justified that in committee saying, we really do not know what is going to happen, we want a free hand". Over the period of history of oil and gas in Canada, no one can dispute that.

The hon. member for Thunder Bay-Atikokan and many others have said that the oil companies have taken us to the cleaners many times and the federal government was in power during that period of time. We find that in this bill there is no clear statement of what the goals should be. The minister and others responsible should have clear instructions to move effectively toward the goals we want to achieve.

We have a bill which moves for complete jurisdiction in areas that have a long history of control over their internal economies and their resources. I suggest that the arguments the government members have put forward are very weak. In fact, they miss the point.

The government members have said we need this power and this control, that in order to keep Canada together we must have energy self-sufficiency, and we have to ensure adequacy of supply and fairness of access. They have also said that they want a share of the revenue in that endeavour. They believe that across Canada there should be an equalization of opportunities for Canadian citizens, that health care, education and the basic expectations of Canadian citizens have to be met and, therefore, that is a source of revenue that should be shared.

Basically there are two points, the energy security and access question and the sharing of revenue. Those goals are correct, but this bill is not the mechanism. We already have mechanisms in place giving complete jurisdiction to the federal government, and to give the minister unfettered discretionary power, and does this bill, without laying out clearly the goals and how he is to achieve them, will create a serious problem.

I suggest this massive appeal to Canada as a nation that it will somehow be destroyed if the provinces are given an effective say in resource development and development of their local economies is a false argument. If we in British Columbia control our resources and resource development, it does not mean that Canada will suffer. There is already the National Energy Board Act and other legislation which governs how energy resources are to be allocated in this country. There is the Income Tax Act and other provisions by which revenue can be taken and dispersed in order to ensure equalization and fair opportunity. It is basically wrong to prohibit those long-standing coastal states from having a meaningful share in the say with regard to development of their resources.

The other side of the coin has been the very compelling and persuasive arguments from my colleagues to the right who say there should be total provincial control over those resources. It is interesting when we look at the dilemma. In the case of British Columbia, over the years there has been the development of oil and gas by multinational corporations, corporations with budgets and financial influence greater than this country. They have not served the best interests of this country. They have largely been let lose by this Liberal government to do their deeds. It will be an interesting and difficult problem to be solved for those multinationals, both the Canadian and foreign owned ones.

The first prime minister of this country presided over what was called the Liberal-Conservative party. That party built an organization in the 1880s called the Canadian Pacific Railroad which ripped off this country from stem to stern. There was a combination of the Liberal-Conservative party, the Bank of Montreal and the Canadian Pacific Railroad. We still have not recovered from that rip-off.

In the 1980s we are creating another CPR out of Dome Petroleum, almost the same mechanism. We will have a very large multinational corporation within Canada. That is not the key point in this. The problem is that those large corporations in provinces like British Columbia and areas like the maritime provinces will be able to whipsaw, thus causing enormous problems. The whole business of corporate blackmail over a period of time has been a problem. What we would find with total provincial control is manipulation of those provincial governments with economic power and clout that would be difficult to resist. So total controls may not be the answer. There is another thing to consider in my area.

• (2150)

An hon. Member: Oh, oh!

Mr. Skelly: Be very careful and read the resolution to the end. Maybe by the end of the presentation I will be able to develop the total concept.

In British Columbia we have had a very interesting small group of people who have capitalized on an enormous amount of economic development in that province. Throughout my area, where much of this offshore drilling and development should take place, there are small communities which have been left out of the mainstream of economic development throughout the history of that province. They are left out today, and when the oil and gas in their communities is developed and removed, they will still be left out because there is a small group of individuals who tend to capitalize on the economic opportunities to reap the benefits. If we look to the east coast, we recognize those names today, whether it is in Nova Scotia, New Brunswick or Newfoundland. In those areas they are in position and working. In British Columbia there is clear evidence that they are mobilizing, and the government of British Columbia and the Liberal government in Ottawa have done nothing to make sure those other communities participate in the economic benefits.

The whole question of total provincial control means that multinationals would have a very large say, with possibly whipsaw and cost problems. There are local oligarchies which have always benefited at the expense of many other segments in those provincial societies. They would tend to work with those multinationals to benefit.

There is also the question of federal resources. If in fact an oil spill should occur off Rivers Inlet, Calvert Island, Bella Bella, northern Vancouver Island—wherever it happens to occur—such as the one that took place in the Caribbean that cost $1 billion to cap, the province of British Columbia is not going to cap that; it is not going to clean it up. It will require the resources of the federal government. If you have to take responsibility for long-term consequences, there is a question

of resources. I am convinced, after listening to testimony, that we are not talking about the possibility of an oil spill occurring, we are talking about the timing of such an oil spill. Whose resources will pay for cleaning it up and who is going to have a say in the standards? I would urge my colleagues to the right to consider that maybe total provincial control needs better definition; maybe it needs some slight change.

The last thing we have to take a serious look at is the whole question of some very deep rooted economic disparities. Total provincial control has never been able to address this in the past. With the opportunity to develop this oil and gas, I doubt whether we will be able to see, with control in provincial hands, the removal of disparity among some of those communities. Possibly in terms of provincial control we have to look to a different mechanism.

On the other side of the coin of provincial control, we have a couple of items. First of all, decisions should be left as much as possible in the hands of the people whom those decisions affect—local communities and regional areas. They have the right to make the decisions that affect their lives. The argument for provincial control is sound in that respect. Local authorities with an opportunity to develop those resources would be more accountable. There is no doubt that a politician in British Columbia, or a government there or in Nova Scotia is more accountable to the people than a government in Ottawa. There are as many members of Parliament from the greater Toronto area as there are from the entire province of British Columbia. When you address a question from British Columbia to central Canada, or the Parliament of Canada, it is diluted down a tremendous degree. National priorities are far higher than local or regional priorities.

Therefore, as my colleagues on the right I think correctly pointed out, local control is imperative. Local control would have an opportunity to be more accountable to the needs of the people, whether they are associated with the disparity question, a response to environment or the strengthening of small economies. If you give control of oil development to the provinces, the local or regional areas, you will strengthen those communities in my area. You will provide more improved transportation. We have sat in this House and battled for years over improved transportation. If those communities on the coast of B.C. had improved transportation, their entire economic development, their stake and their position would improve, but this falls on deaf ears in this House. Maybe if this oil is developed under local control, the transportation system will improve and develop. We would then wind up with strengthened communities and improved transportation systems, and, by and large I think an improved situation.

We have a strange dichotomy here. We have the Tories on the right arguing for total provincial control and we have the Liberals with national interest in equalization and, basically, an energy security structure, arguing for federal control. Maybe the ultimate solution is a new approach, one that says there should be co-operative development of those resources, and that as much as possible the federal government should set standards for the development and define, in agreement with the provinces, where development can occur. If the provinces were in a position to meet those agreements, those minimum standards, they could develop and improve beyond that in ways that would be meaningful to those people. What we will wind up with is maybe a new approach, maybe one which says that the federal government should sit down with the province of British Columbia and discuss what offshore oil and gas development could mean to that province and where there could be a meeting of minds. Possibly there should be the passing of reciprocal legislation to give momentum to that kind of agreement.

Then beyond that point possibly British Columbia, in agreement with the federal government, could take control of developing an area, which is really developing resources that are within the confines of the province of British Columbia, in Hecate Strait, Queen Charlotte Sound or in Johnstone Strait, and in that way maybe we could deal with both aspirations—with the question of equalization and resource sharing. In this way we could settle the question of control over those resources in order to provide security on a national basis, as well as provide tremendous local benefits by giving British Columbians an opportunity to say how local communities will be strengthened as a result of the development and how transportation should be improved.

We could also decide how to remove pockets of deep-seated and chronic disparity such as exists in the Indian communities. Under the present system they will receive the oil spills and probably the negative effects of such development. Probably they will not be given an opportunity to participate and to share in the economic benefits. Thank you, Mr. Speaker.

Mr. Stan Schellenberger (Wetaskiwin): Though I am usually brief, Mr. Speaker, I do not think I could complete my remarks in one minute. Perhaps I might call it ten o'clock and start tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—(A) APPOINTMENT OF FULLTIME MINISTER. (B) DECENTRALIZATION OF DEPARTMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on June 23 of this year I directed a question to the Prime Minister (Mr. Trudeau) regarding the appointment of a full-time Minister of Veterans Affairs. In the Department of Veterans Affairs today we have a very serious problem regarding the processing of veterans' pension applications, some of which take from one to five years to process. I pointed out at the time that the present minister has not been able to find a

solution to the problem. I asked that the Prime Minister inform us when he would be appointing a full-time minister who can deal with this very serious problem in the department. We received one of the evasive and uninformative answers we usually receive from the Prime Minister, regardless of whatever question we are posing to him.

● (2200)

I also asked the Prime Minister whether the government would be considering leaving the Pension Commission in Ottawa in order to rectify the one to five years' delay in processing veterans' pension applications. We received some more typical Liberal gobbledygook on that.

At a recent meeting of the Standing Committee on Veterans Affairs the chairman of the Pension Commission pointed out that he has very, very serious problems finding personnel who wish to transfer to Prince Edward Island and, of course, this is delaying the processing of veterans' pension applications.

Speaking in the House on July 10 of this year with regard to Bill C-82, which was amendments to the Pension Act and the Compensation for Former Prisons of War Act, the acting Minister of Veterans Affairs pointed out:

—I am confident this legislation will have the support of all parties. It is further proof of this nation's resolve that veterans and their survivors will continue to receive just and generous treatment.

At the present time, veterans are not receiving just and generous treatment if they have to wait up to five years to have their pensions processed, and we have a serious problem with respect to a very high percentage of veterans passing on before their applications can be processed. I have called this before an absolute national disgrace.

Because I received no firm or concrete answers from the Prime Minister to my questions to him, I wrote him a letter with respect to this problem, and I understand that officials in the Pension Commission and in the Department of Veterans Affairs are in the process of compiling an answer to my letter.

The letter I wrote to the Prime Minister was dated June 25, and I called for the appointment of a full-time minister of veterans affairs. I also pointed out that there are two main factors causing a malaise within the department. In the first instance, the legislation which the department has to deal with is cumbersome and archaic. As the chairman of the Pension Commission has pointed out in the Standing Committee of Veterans Affairs, he is hamstrung with the present legislation. There is no way he can process veterans' pension applications any quicker. It will take from one to five years under the present legislation. That is why I am on my feet tonight. I am on my feet to request once again that a new piece of legislation be introduced as soon as possible to cut out all this rigmarole veterans have to go through before pension applications can be processed.

I will give hon. members the exact wording of what we heard from Mr. Solomon in the standing committee on May 28. Mr. Solomon stated:

These procedures—

Referring to the Canadian legislation.

—although they are marvelous safeguards, take time, and they are hamstringing us in many ways.

In my letter to the Prime Minister I said that the aging veterans in this country simply do not have the years left to wait for this hamstringing, time-consuming legislative process to run its course.

In a letter dated June 2 of 1980 Mr. Chadderton, the chief executive officer of the War Amputations of Canada, listed the names of some 370 veterans associated with that organization alone who died waiting for their pensions. The War Amps are dealing with this figure in gathering detailed statistical information which is required before it can make applications to the Pension Commission. This figure is in addition to the applications the Pension Commission already has in hand.

● (2205)

I understand the Acting Minister of Veterans Affairs is going around privately challenging these figures. I understand there are phone calls going on at the present time challenging the figures; it is not 50 per cent, it is some other figure. That is not the point at all, Mr. Speaker. We need a piece of legislation to get rid of this archaic nonsense of taking up to five years to process a veteran's application. That is the point, not whether it is 40, 50 or 60 per cent.

I have gone into great detail in my letter to the Prime Minister with regard to actual individual cases which have come to my attention. Every day there is a member of the Conservative party who comes to me and says: What are we going to do about the Pension Commission? What are we going to do about getting these applications processed? That is all I have listened to since I have been the spokesman for the Conservative party on veterans affairs. We have evasive answers from the acting minister. He has absolutely nothing to say, and tries to slough it all off on his officials. We are getting absolutely nowhere. Some of the Liberals are laughing; it is a big joke with them.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, once again the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) comes to the House with an argument short on facts and long on fiction. I want to deal with the two points he raised in a question to the Prime Minister (Mr. Trudeau) on June 23 as reported at page 10885 of *Hansard*.

The hon. member asked the Prime Minister when he would appoint a minister of veterans affairs, and if he would consider having the headquarters of the Canadian Pension Commission stay in Ottawa and not relocate to Prince Edward Island.

Since the death of the Hon. Daniel MacDonald, Mr. Speaker, the acting Minister of Veterans Affairs has been responsible before Parliament for the portfolio. In this House, before its committees and the committees of the other place, the acting minister, being himself a veteran and a former POW, has been a stalwart representative of the interests of veterans and their families. The Prime Minister, when answering the

member, took the opportunity to state once again his intention of appointing a minister. Hon. members will recall the previous government had designated one minister to be permanently responsible for Veterans Affairs and National Defence. This was done in spite of and in complete disregard of the wishes of veterans as expressed in the vigorous campaign mounted by the Royal Canadian Legion.

So for the hon. member to come here this evening and berate the government and the Prime Minister for not appointing a full-time minister immediately when his own government had put the hon. member for Victoria (Mr. McKinnon) permanently in charge of both National Defence and Veterans Affairs, I think is completely incongruous.

In addition, the relocation of the veterans affairs head office to Charlottetown was announced on October 26, 1976. The decision applied to the department and the four agencies, and was part of the government's policy of decentralization whose goals were: To move the administration of federal government programs closer to the people directly affected by them; to increase the presence of the federal government in communities where it has been low and where activities of a national nature can contribute to national unity; and to reduce the disproportionately high concentration of federal employees in the national capital region.

The relocation of Veterans Affairs involves the transfer of some 760 positions to Charlottetown of which 271 are with the Canadian Pension Commission. Presently, there are 160 DVA employees working in Charlottetown. The number of employees who agree to move will not be known until nine months prior to the official date of relocation of the positions. At present, the expected date of relocation for the Canadian Pension Commission is September, 1983.

The relocation has received the approval of three governments including the previous one, and I can assure the House that every effort is being made to minimize any disruption in the service provided to veterans. We are confident that veterans and their families will be as well served by departmental and agency employees working from Charlottetown as they were from Ottawa.

Once again, Mr. Speaker, the hon. member for Winnipeg Assiniboine is inflaming passions with statements not based on fact but based on his own great imagination.

Mr. McKenzie: I will send your answer to all the Legions in your riding.

● (2210)

COMBINES—REQUEST FOR RELEASE OF REPORT ON URANIUM CARTEL. (A) REQUEST THAT INDEPENDENT PROSECUTOR REVIEW EVIDENCE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise tonight with respect to the persistent questioning of the government by members of my party concerning the uranium cartel and the subsequent charges which have been laid respecting a number of companies in Canada including Crown corporations within which two senior government officials were named in the information as unindicted co-conspirators, namely, Mr. MacNabb and John Runnalls.

Our inquiries with respect to the uranium cartel activities have, to a large extent, been directed toward the whole concept of determining whether or not the government has any understanding at all of the traditional parliamentary concept of ministerial responsibility. The government has consistently refused, in answering questions on the floor of the House of Commons and outside the House, to say whether Messrs. MacNabb and Runnalls acted on their own or on the instruction of the government. It is a rather peculiar evasion of a very essential and important fact respecting this matter.

It went to the extent that the Minister of Justice (Mr. Chrétien) would not even tell us whether the government was prepared to provide counsel for these two people in the course of the legal proceedings which are about to take place in the prosecution.

Mr. Donald Macdonald was the minister during a good portion of time during which, the allegation is made in the information, there was a price-fixing arrangement respecting domestic prices in Canada. Mr. Macdonald indicated the following in a CBC interview:

> I can certainly say that there is absolutely no indication at any point to myself and I am sure other federal officials that the companies were getting together to take advantage of the situation—

Also he indicated that no one at the federal level was consulted about domestic prices following world prices. But there are a number of instances which are now a matter of public record that fly in the face of this contention on the part of Mr. Macdonald and of the response of the government. First, the Gulf memorandum of March 8, 1974 clearly indicated that the officials of the Department of Energy, Mines and Resources recognized that Canadian utilities must be prepared to pay export prices. Second, the companies themselves were initially very concerned about the combines law. Third, apparently cabinet discussed the possible domestic consequences of the cartel at the outset of the arrangement. Fourth, we have the simple and bald fact that Messrs. MacNabb and Runnalls are now named as co-conspirators.

I will not comment on whether or not any further charges should be laid. It is really impossible to tell. That is the reason we are trying to get more information as to why a greater number of people who were clearly involved in the cartel arrangement were not joined, even as unindicted co-conspirators, or named in the information.

Officials of the Department of Energy, Mines and Resources were involved. Either the minister knew what was happening at the time or he was ignorant. In either event, there are serious problems. The government is attempting to reduce the issue to a narrow legal one and trying to escape any further questioning on the basis that the matter is now before the court.

The principle of ministerial responsibility is basic and goes beyond the technical, legal culpability. This has nothing to do with the notion which the Prime Minister (Mr. Trudeau) advanced in the House that you must trust somebody.

I should like to refer to the fifth edition of "The Government of Canada" by R. MacGregor Dawson and revised by Norman Ward of Saskatoon. Page 176 of the book reads as follows:

> The minister at the head of every department is responsible for everything that is done within that department; and inasmuch as he will expect praise or assume blame for all the acts of his subordinates, he must have the final word in any important decision that is taken.

It continues:

> R. L. Borden, when leader of the opposition, aptly described the ideal situation as follows:
>
> A Minister of the Crown is responsible, under the system in Great Britain, for the minutest details of the administration in his department; he is politically responsible, but he does not know anything at all about them. When anything goes wrong in his department, he is responsible therefore to Parliament; and if he comes to Parliament and points out that he entrusted the duty to an official in the ordinary course and in good faith, that he had been selected for his capacity, and ability and integrity, and the moment that man had gone wrong the Minister had investigated the matter to the full and punished that man either by degradation or dismissal, he has done his duty to the public. That is the way matters are dealt with in Great Britain, and it is in that way, it seems to me, that our affairs ought to be carried on in this country.

● (2215)

Mr. Macdonald, the minister in 1972 and 1975, was interviewed by the CBC yesterday morning in Edmonton. In the course of that interview, he was asked by the interviewer whether at any time the reports which Crown corporations had to make to government involved the price being charged for uranium on the domestic market. In his response, Mr. Macdonald said in part:

> No, I don't think so any more than the kind of conduct . . . by CBC employees should be a matter of day to day surveillance by ministers—

The interviewer interrupted, but Mr. Macdonald went on to say:

> Just let me finish, please, you can trust the operations of the Crown corporations to officials to whom you have confidence and that was done and the question has now been raised by the Combines people as to whether or not the management of those two corporations exceeded the law in what they did.

In reviewing the annual reports of Uranium Canada, which is a Crown corporation, I find it peculiar when looking through the reports from 1972 to the present time to find out exactly what is reported to the minister. This is a Crown corporation of which Mr. Runnalls and Mr. MacNabb were officers.

I wish to make two observations. The first is that Uranium Canada had no personnel and that the administration of that corporation was carried out exclusively by the Department of Energy, Mines and Resources. There were no employees of Uranium Canada. Who were the officers of Uranium Canada from 1972 to 1975? The president was one Jacob Austin, otherwise known as Jack Austin, otherwise known as Senator Jack Austin. In one of his aliases, he was deputy minister to the minister of energy, mines and resources and, in fact—

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to deal with the two questions raised by the hon. member for Saskatoon West (Mr. Hnatyshyn). The first question is a request for the release of the report on uranium cartel.

On September 30, 1977, the then minister of consumer and corporate affairs, the hon. member for Notre-Dame-de-Grace-Lachine East (Mr. Allmand), made an order pursuant to paragraph 8(*c*) of the Combines Investigation Act requiring the Director of Investigation and Research to inquire into the marketing of uranium with a view to obtaining all the facts and determining whether a violation of the Combines Investigation Act had occurred. In other words, the Director of Investigation and Research was required to conduct an investigation into the question of whether any individual or corporation had committed an offence. The Director carried out the investigation, and then on May 25, 1981, a report on the evidence gathered was submitted to the Attorney General of Canada pursuant to section 15 of the Combines Investigation Act in order to enable the Attorney General to decide what course should be followed.

It has always been the policy of the Department of Justice not to release reports made to it on investigations conducted into the commission of alleged offences. This applies whether the investigation relates to alleged violations of the Combines Investigation Act, the Income Tax Act, the Narcotic Control Act, the Customs Act and so on. The reason for the policy is simply based on considerations of fair play. If the person or corporation who has been investigated is not charged, to release the report on the investigation could very well amount to publicly accusing him of violating the law without the person concerned having any opportunity to defend himself or herself. On the other hand, if a charge is laid, then the results of the investigation are made public under the circumstances which are controlled by a court of law. That is to say, the evidence that is submitted must be admissible evidence and the accused person must be given an opportunity to make full answer and defence. I repeat, this has always been the policy of the Department of Justice and, as indicated, is based on considerations of fair play and natural justice.

The second question is a request that an independent prosecutor be appointed to review the evidence. When the Director of Investigation and Research commenced his inquiry, he—not the government or any member of the government—chose Mr. John Brown of the Toronto firm of Blake, Cassells and Graydon in September of 1977 to assist him in the inquiry. After working on the case for over three years, Mr. Brown reported his conclusions to the Director of Investigation and Research in April of this year. As already indicated, the director, in turn, referred the case to the Attorney General of Canada last May. The Minister of Justice (Mr. Chrétien) sought further direct advice from Mr. Brown on the question of whether prosecution was warranted. He was advised in the affirmative and Mr. Brown has been appointed agent of the Attorney General of Canada and special prosecutor on the case.

There is absolutely nothing upon which to base any suggestion that Mr. Brown has acted throughout other than in a capacity totally independent of influence from the government. Indeed, any suggestion of that kind would simply be an unwarranted and unfounded reflection on Mr. Brown's profes-

sional integrity. For these reasons there is no basis for a request that yet another independent counsel be appointed to review the evidence.

● (2220)

BANK ACT—QUERY RESPECTING POSSIBLE REVISIONS TO CONTROL INTEREST RATES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise tonight to protest the answers to questions about interest rates given in this House, in light of the statements on the same subject made outside the House. There seems to be some discrepancy between what is said in the House and what pass for answers outside the House.

It all began when the Minister of Agriculture (Mr. Whelan) was quoted in the press. This is only one quote from many speeches delivered around the farming community this spring. In the *Western Producer* of May 14, 1981, there appears the following:

During his Humboldt address, Whelan also severely criticized the banks for showing what he called their lack of responsibility toward the problems farmers are now facing with high interest rates.

The article goes on:

Whelan added it was "criminal" that efficient producers are going bankrupt over high rates.

Earlier the same article had this to say:

Whelan said he will try to get the amendment into the Bank Act during the current review of the act.

The Bank Act was dealt with seven or eight months prior to that time, Mr. Speaker. When the question concerning the statements of the Minister of Agriculture was raised in the House, the Minister of Finance (Mr. MacEachen) replied that he believed that the matter was clarified the previous week in the House when the Minister of Agriculture acknowledged that he did not have in mind the revision of the Bank Act. He added that he did not have that in mind either. That should have put an end to the doubt about the government's policy with regard to interest rates. We know from experience that the Minister of Agriculture quite often engages in flights of fancy. He is well known to be an expert spreader of that famous bovine barnyard product which he spreads very quickly and deeply. But we now find that the Prime Minister (Mr. Trudeau) has been engaging in the same game.

Before his trip to Washington to prepare for the summit, the *Toronto Star* of July 10 had this to say:

I think the Minister of Finance (Allan MacEachen) has made it clear that we think that real interest rates are far too high.

I am not sure whether the Minister of Finance has said that, but apparently the Prime Minister thinks that. The article also reads:

He was expected to ask Reagan today when his interest-rate policy is going to work.

The article went on to say:

It was the first time Trudeau spelled out Canada's position on the contentious economic issue.

And, later:

But although interest rates "are far too high" Trudeau said he would not start an argument with Reagan at the summit meeting.

This is another indication of the solution to the high interest rate problem. The Minister of Agriculture provides his assessment, and his solution was an amendment to the Bank Act, which we have just finished amending.

Then the Prime Minister engages in another strategy, which is hope. He made it very clear he hopes the U.S. strategy will work because we do not seem to have any strategy in Canada that will deal with the problem of high interest rates.

The Prime Minister's commitment is not particularly strong, however, as he is quoted in the press as saying, that although interest rates are far too high, he would not start an argument with Reagan at the summit meeting. The summit is reserved for important issues, yet the most important issue raised by the Prime Minister, according to the press report, was high interest rates.

I am not satisfied with the replies we have been getting from the government, Mr. Speaker. Members of the government are creating an expectation of action with a clearly stated intention in the House by the finance minister of doing nothing.

I have outlined to the House the statement made to the Prime Minister prior to his talks with President Reagan. I have reviewed the promises made by the Minister of Agriculture to amend the Bank Act when he knows and we know that the Bank Act was amended just seven months ago. Where was the minister with his proposals seven or eight months ago when the Bank Act was open for amendment? Why did he not support some of the amendments that my colleagues offered to regulate interest rate and to regulate the bank spread? He was strangely silent when he could have been taking action. I think the people of Canada deserve to know what the real interest rate policy of the government is, Mr. Speaker.

● (2225)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): There are important reasons why the government is not prepared to contemplate direct control over the interest rates paid or charged by the chartered banks.

First of all, in the context of over-all monetary and exchange rate policy, variable interest rates are an essential part of the mechanism for moderating extreme variations in demand, production, prices and the exchange rate. The fixing of interest rates would tend to result in greater instability in these other important variables. As we know, the current high level of interest rates reflects to a considerable extent the current and expected levels of inflation, as well as current events in the United States and the tightening of monetary policy in an attempt to bring inflation under control. To fix interest rates at an artificially low level in these circumstances would discourage savings and encourage borrowing, thus exacerbating the demand supply pressures and would undoubtedly lead to economic inefficiencies and a worsening of inflation.

A second, equally important, aspect of the government's interest rate policies is that connected with the over-all efficiency of the financial system to gather and allocate savings. In this setting, it has generally been government policy to leave interest rates free to be determined by the forces of supply and demand. The rationale for this approach has been that the market mechanism is more finely tuned and tends to allocate resources over all more efficiently than government directives. Also, if the government were involved in the rate-setting business, it would have to be certain that the structure of rates were appropriate, and that the spreads allowed the banks were adequate to meet their capital needs and to provide an adequate return to shareholders. Further, it would be grossly inequitable to control the interest rates paid and charged by the banks without also imposing similar controls on competing institutions and other supplies of credit in the market place.

Furthermore, the imposition of interest rate ceilings on particular categories of loans could result in a drying up of the supply of funds being made for that purpose. Financial institutions, as other corporations, cannot be expected to lend out funds to customers at rates of interest below the level which they must pay to gather those funds from savers in the system and to cover the credit risks and administration costs associated with their lending and borrowing operation.

In addition, it has not been the policy of the government to implement measures to provide broadly based relief from the effects of high interest rates to specific sectors of the economy.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, July 15, 1981

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

URGENCY OF NEGOTIATING AGREEMENT WITH ALBERTA—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, Canada has some 40 billion to 50 billion barrels of heavy oil amenable to in situ recovery. The Cold Lake heavy oil plant is the first commercial heavy oil plant, so what is at stake is not only oil supply but also commercialization of new technology which is vital to Canada's future oil self-sufficiency. Therefore I move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That this House recognize the collapse of this project as a national emergency and request that the Prime Minister immediately involve himself directly and fully in negotiating an energy agreement with Alberta.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

PROPOSED ABANDONMENT OF PASSENGER SERVICES ON VANCOUVER ISLAND—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in light of the fact that VIA Rail has notified the government of its intention to abandon a number of passenger services, in particular the Esquimalt and Nanaimo railway service running from Victoria to Courtenay, British Columbia; in light of the order by the Canadian Transport Commission to keep that passenger service running; in view of the historic commitment inherited by VIA Rail to provide passenger service up the east coast of the island, and in light, finally, of the difficulty once a rapid transit route or system is abandoned to get it started up again, and the future needs in the area for such a system, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the government reject the application of VIA Rail to eliminate its passenger service on the E & N and require it to refrain from further announcements of this sort unless or until further public hearings are called.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE LEADER OF THE OPPOSITION

MOTION UNDER S.O. 43

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43. In view of the damage done to the process of collective bargaining in the postal strike by the statements of the Leader of the Opposition (Mr. Clark) and his colleagues, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That this House urges the Leader of the Opposition to undergo lessons in industrial relations so that his party in future disputes may be better able to act in the public interest.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

EXTERNAL AFFAIRS

SUGGESTION PRIME MINISTER DISCUSS HUMAN RIGHTS WITH PRESIDENT NYERERE OF TANZANIA—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, the Prime Minister (Mr. Trudeau) has announced his intention to visit President Julius Nyerere of Tanzania in August. Since President Nyerere has an astonishing record of brutality against those who oppose him politically, and an unenviable record on human rights, as recorded by Amnesty International, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the House urges the Prime Minister to discuss the matter of human rights with President Nyerere and urge him to bring a sense of humanity to his troubled country.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

SUPPORT URGED FOR PASSENGER SERVICES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43 I rise to propose a motion on a matter of urgent and pressing necessity. While most of the industrialized countries in the world are making massive investments in modernizing and expanding their rail passenger service, the Government of Canada wants to reduce passenger routes in Canada drastically. It forces VIA Rail to operate as CP and CN did, that is, if a passenger train is run old enough, late enough, slow enough, and dirty enough, nobody will get on it and the route can be abandoned. The Minister of Transport (Mr. Pepin) lays a bum rap on VIA Rail, complaining about the subsidy to VIA, and conveniently forgets to mention that all other modes of transportation receive billions of dollars in direct and indirect subsidies from the public purse. Therefore I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House calls upon the government to (1) retain all present passenger routes; (2) provide VIA Rail with additional funds to invest in more new equipment, such as, at least ten more new train sets and expanded passenger routes; and, (3) provide full policy support to VIA Rail so that in a few years it can succeed so well that the taxpayers investment will be more than repaid.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

NOMINATION OF PROGRESSIVE CONSERVATIVE CANDIDATE IN SPADINA RIDING—MOTION UNDER S.O. 43

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. Whereas the Leader of the Opposition (Mr. Clark) personally asked at least six candidates to run for his party in the Spadina byelection, Mr. Gordon Chong, Mr. Allan Eagleson, Mr. Richard Kirkup, Mr. Ron Atkey, Mr. David Kadis and Mrs. Laura Sabia, and whereas only Mrs. Sabia, after some reluctance, agreed, I move, seconded by the hon. member for Trinity (Miss Nicholson):

That this House extends sympathy to the Leader of the Opposition for his inability to motivate members of his own party.

Some hon. Members: Hear, hear!

Mr. Crosbie: Give Coutts the boots.

* * *

AUTOMOTIVE INDUSTRY

FUTURE OF PLANTS IN KITCHENER, ONT.—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, in light of alarming statements made in the House yesterday, since confirmed by company management, that Budd Automotive of Kitchener is faced with the possibility of the lay-off of 45 per cent of its employees; and in light of the proposed sale of certain segments of the Uniroyal operation in Kitchener to A.B. Becker of Sweden, which has already resulted in over two dozen salaried employees being let go, I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That the Minister of Industry, Trade and Commerce state publicly that his department is working to ensure that frames for General Motors cars will continue to be fabricated in Canada, and that any approval by FIRA for the sale of portions of the Kitchener Uniroyal general products plant will not be made without the condition of sale including protection for long-term Canadian employees.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ROYAL CANADIAN MOUNTED POLICE

NEGOTIATION OF SERVICE CONTRACTS WITH PROVINCIAL GOVERNMENTS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, the provincial governments that now employ the Royal Canadian Mounted Police under contract have been forced to consider other methods of providing police services because of the onerous and unreasonable financial demands of the federal government. In order to ensure both the continuance of the RCMP as a viable national force, and the peace and security of the provincial residents involved, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House direct the government to moderate its financial demands and finalize the contracts for RCMP services on the sensible cost sharing basis proposed by the provincial governments.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

UNITED STATES MOVES TO RESTRICT CANADIAN INVESTMENT—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, on a matter of urgent and pressing necessity I rise under the terms of Standing Order 43. In view of the fact that numerous bills have been introduced in the U.S. House of Representatives that would restrict Canadian investments in the United States in retaliation for Ottawa's National Energy Program, and in view of the fact that Canadian ownership of U.S. industry is nowhere near the level of U.S. ownership in Canada, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

That this House take the appropriate steps and advise the U.S. House of Representatives that such restrictive and protectionist moves would be counter-productive to the good will that Canadians and Americans have maintained over the years.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSTAL STRIKE—APPOINTMENT OF MEDIATOR

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the President of the Treasury Board. We are all happy to see some break in the postal deadlock with the agreement of both parties to accept mediation services.

Some hon. Members: Hear, hear!

Mr. Clark: Certainly we see this as a very positive step which would not have happened had the government had its way and adjourned the House of Commons last week.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: We welcome that initiative and we hope that mediation produces a speedy settlement. Could the President of the Treasury Board confirm that a mediator will be appointed this afternoon, and is he in a position to tell us who that mediator will be?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, with respect to the preamble of the question, the Right Hon. Leader of the Opposition suggested that this might not have happened. I would agree to this extent: it might not have happened because we could easily have had a negotiated settlement perhaps last week without the intervention of the Right Hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Johnston: In any event, the parties have agreed on a mediator. I understand that the name will be made public this afternoon. I am not in a position to make it public here. I believe it will probably be made public by the Public Service Staff Relations Board.

COMMENCEMENT OF MEDIATION MEETINGS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the nation knows that the government's interest last week was not in settling the strike but in getting rid of Parliament, and that because Parliament stayed there is some possibility of getting the strike resolved. Could the President of the Treasury Board inform the House when we could expect the mediator to be at work and when meetings between the two parties will begin?

Hon. Donald J. Johnston (President of the Treasury Board): As soon as possible, Madam Speaker.

QUERY RESPECTING POSSIBLE IMPOSITION OF CONDITIONS ON MEDIATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am pleased to hear that. Since the appointment of a mediator indicates that there has been a successful conclusion to negotiations, at least on the intent to mediate, could the President of the Treasury Board tell us whether any conditions have been imposed upon the mediation by either side and, if so, what those conditions are?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am not sure what the Right Hon. Leader of the Opposition means with respect to conditions being imposed upon the mediator. There are always terms of reference for mediation, if that is what he is referring to. I have not looked at any specific terms of reference, but clearly whatever has happened has been agreed upon by both parties, so I do not see why it should be of any concern to the Leader of the Opposition.

EFFECT OF STRIKE ON PASSPORT APPLICANTS

Mr. John Bosley (Don Valley West): Madam Speaker, that is called bargaining in good faith. In the absence of the minister responsible for passports, my question is directed to the Postmaster General. What arrangements have been made to solve the problems of those people whose passport applications are stuck in the mail, in most cases including birth certificates? They now find that they cannot get their pass-

ports. This prevents them from travelling abroad and thereby causes two significant problems. They are forfeiting substantial deposits which they have paid on their trips, and they are also without their most significant and most important piece of personal identification.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Obviously, Madam Speaker, that is a source of problems for many Canadians who are anxious to travel abroad. Advertisements have been published in various newspapers to inform the public how to get in touch with Canadian government offices throughout the country.

[*English*]

INCOME TAX PAYMENTS DELAYED IN MAIL

Mr. John Bosley (Don Valley West): Madam Speaker, the question concerned what to do about the stuff stuck in the mail. I have a similar question which I could perhaps address to the Deputy Prime Minister, in the absence of the Minister of National Revenue. Will the government ensure that the same treatment will apply to late income tax payments which are stuck in the mail as will apply to income tax rebates which are similarly trapped, that is, if no interest is to be paid on such rebates, then no interest will be charged on late payments, or conversely, if interest is to be charged, then interest at least at the same rate will also be paid on income tax rebates?

● (1420)

[*Translation*]

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, the Minister of National Revenue provided some information yesterday when he said that he was in touch with his other colleagues with a view to offering the best possible service to all Canadians.

* * *

[*English*]

THE ECONOMY

REQUEST THAT GOVERNMENT ABANDON HIGH INTEREST RATE POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Deputy Prime Minister in the absence of the Prime Minister. Yesterday the Prime Minister met with seven leaders of the labour world from the seven countries which are to attend the Summit meeting here in Ottawa next week. The Prime Minister is reported to have agreed to raise their concern about the monetarism of some of the countries in the world and high interest rates, at the Summit. If that is the case, can the Deputy Prime Minister tell us if it is the intention of the government, in order to show some leadership to abandon its own high interest rate policy before the Summit? Is the government considering abandoning its high interest rate policy to show some leadership on the world level before the Summit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think it would be unwise to abandon the anti-inflationary stance which the government is taking. I do not believe any government represented at the Summit will advocate that course of action.

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Lorne Nystrom (Yorkton-Melville): It is obvious that the government's policy is not working. According to an official spokesman of the President of the United States, when our Prime Minister visited that country a few days ago he did not even raise the question of high interest rates with the American President. I would like to ask the Deputy Prime Minister why the Prime Minister did not raise that important issue with the President of the United States, since the United States plays an important role in the world economic situation.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not discussed with the Prime Minister the nature of his discussions with the President. I do not usually take what is in the press as the reality of events. I got over that a long time ago and I hope that the hon. member will reach that stage sometime.

I have no doubt that the hon. member is interested that the question of economic policy followed in the industrialized countries will be raised at the Summit. Obviously one of the major items on the agenda is the question of general economic policy, which will be discussed. I would be very surprised if interest rates are not a subject at the forefront of the discussions. How it will be discussed is another question.

EUROPEAN CALL FOR ECONOMIC EXPANSION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, can the Deputy Prime Minister tell the House whether or not his government supports the proposition put forward by the French President, François Mitterrand, and Chancellor Schmidt of West Germany which, in effect, is a call for economic expansion and full employment? If our government supports that policy then what action is it planning to take?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, just a short time ago I attended a meeting of the OECD countries in Paris at which all the representatives of the industrialized countries were present, including the new French ministers and representatives of the German government. All the industrialized countries were able to agree on a communique dealing with the economy in which appropriate attention was placed on the fight against inflation and the necessity of succeeding in that fight before it would be possible to resume upward growth in the industrialized economies. I have no doubt that every leader at the Summit will be concerned about future growth and

employment prospects, but it seems to me self-evident that if we are to succeed we must deal with inflation as a major priority at the present time.

* * *

● (1425)

INDUSTRY

CANADIAN PRODUCTION OF COMPONENTS FOR F-18 FIGHTER AIRCRAFT

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. On June 29, 1981, McDonnell Douglas of the United States announced the awarding of four contracts to Canadian companies to build parts for the Hornet fighter interceptor aircraft. It is understood that McDonnell Douglas Canada will receive two contracts worth a total of $235 million. Will the minister inform the House when production of the components for the F-18 will begin at McDonnell Douglas, thus ensuring the creation of an estimated 250 jobs, and will he also advise whether the 1,048 people laid off since last August by McDonnell Douglas will be given priority when rehiring begins?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it is my understanding that within 60 days of that announcement the company will begin the basic design and the layout work, and the actual components will begin to be assembled by the end of the year. I presume that priority will be given by McDonnell Douglas to the presently laid-off workers pursuant to the requirements of the collective agreement.

* * *

COMBINES

URANIUM CARTEL IMPACT ON DOMESTIC PRICES—GOVERNMENT ACTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Justice, to whom I have given notice of my intention to ask a question with respect to the uranium cartel. It relates to the principle of ministerial responsibility and accountability. The minister will have had an opportunity to refresh his memory with respect to this whole matter. Therefore, stonewalling is not permitted. However, the minister will know the principle of which I speak, that is, the minister is responsible for everything that happens within his department, and the Prime Minister is responsible for everything that happens with respect to his ministry.

In view of the fact that the Prime Minister has admitted knowing that the cartel had an impact on Canadian prices in 1975, will the minister tell the House with which of his ministers the Prime Minister discussed this matter, and what action was taken by the Prime Minister and the government in 1975?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have already indicated that we have referred the whole uranium file to the court when we decided to prosecute the six companies. That case is now before the courts. Therefore I have nothing to add about ministerial responsibility. That, of course, does not fall under my jurisdiction.

[*English*]

ACTIONS OF DEPARTMENTAL OFFICIALS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the scattered applause is quite understandable. We are not talking about the charges. We are talking about ministerial responsibility. I hope the minister understands that. A review of the annual reports of Uranium Canada, from 1970 to 1978, has indicated two interesting points. One is that Uranium Canada is a shell of a company. It has no staff. The administration and operation of Uranium Canada take place by the Department of Energy, Mines and Resources. The second point is that up until 1975 the president of Uranium Canada was one Jacob Austin, the deputy minister of the Department of Energy, Mines and Resources.

Some hon. Members: Shame, shame!

Mr. Hnatyshyn: That was a time when the cartel was alleged to have operated, covering from 1970 to 1978. Surely, the minister is not trying to suggest that the deputy minister was unaware of the activities of his assistant deputy minister, Mr. McNabb, and of Dr. Runalls? Surely he does not want us to believe that an experienced man like Mr. Austin, who was a principal secretary to the Prime Minister, would not have reported to his minister and to the Prime Minister? Is he expecting us to believe that kind of story?

Some hon. Members: Hear, hear!

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to—

Some hon. Members: Hear, hear!

Mr. Chrétien: Madam Speaker, I just want to say that for four years there was an inquiry done on this file. A report was prepared for Mr. Bertrand.

Mr. Clark: A hidden report.

Mr. Chrétien: I have hired the same lawyers as Mr. Bertrand hired.

Mr. Andre: Let us see the report.

Mr. Chrétien: They have decided to recommend to me that we prosecute six companies. I have done so. I am not respon-

sible for a company to which the hon. member is referring. The matter is in front of the court, and I have nothing else to add.

Some hon. Members: Hear, hear!

* * *

CANADA PENSION PLAN

REQUEST FOR QUARTERLY INDEXATION

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. The minister will know, I am sure, that the high, inflationary, double digit rates which we are presently experiencing impact most heavily on pensioners and other low income groups. The minister will also know that recently the Economic Council of Canada said that in spite of this government's attempts we will have double digit inflation for several years. The minister may not know, however, the fact that the Canada-Quebec Pension Plan is indexed only yearly, and that it costs Canadian pensioners under that plan some $200 a year. Does the government intend to bring in legislation to index the Canada-Quebec Pension Plan quarterly, as is done in OAS and GIS, and if so, when?

• (1430)

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the Canada Pension Plan will necessarily be included in the review of pension plans which we have undertaken and will continue next fall. I am very glad to know the position of the Progressive Conservative Party. This is one of its first positive recommendations concerning the pension plan review, and this aspect of the question will certainly be included in this review.

[*English*]

QUERY RESPECTING FEDERAL-PROVINCIAL CONFERENCE

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I am rather surprised that the minister shows a lack of haste on this issue. Certainly the government is now spending some $70 million on propaganda, and is spending some $268 million to subsidize the American car driver. I know that if the minister inquires from some of her officials she will find that it would only cost $70 million to bring in quarterly indexing. I would think that the minister would show greater concern.

My supplementary question concerns the fact that last spring we had a pension conference. At that time I think the Prime Minister, and also the Minister of Finance, indicated that in July there would be a pensions conference with the provinces. I wonder whether a date has been set for that conference and whether the terms of reference have been decided upon.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member should know that it is quite difficult for a federal minister to move on the Canada Pension Plan in, I think the word he used was a "hasty", way. It means fast. He may want to discuss this with the B.C. minister of finance or he may want to call Mr. Frank Miller of Ontario, or different ministers of finance. They do not like any changes to the Canada Pension Plan when it takes money away from them and out of the $18 billion fund that they enjoy now at preferred interest rates. That is what it does. No change can be made that rapidly by one government alone.

Mr. Clark: And the July conference? Or was that just another lie?

* * *

MARINE TRANSPORT

USE OF CANADIAN REGISTERED VESSELS TO SHIP EXPORTS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the Minister of State for Trade. It was announced in today's press that Japan intends to expand its merchant fleet, in part to transport coal from northern B.C. In light of the minister's interest in expanding overseas trade, particularly in the Orient, is he prepared to recommend to his colleagues in cabinet that Canada must abide by the international agreements that require 40 per cent of Canadian exports to be transported in Canadian registered vessels?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, I just returned from a trip to Japan and Korea where, along with businessmen from the coal industry in British Columbia, we were able to negotiate substantial contracts. The hon. member knows the stance that Canada took at the last UNCTAD meeting with respect to the shipping conference. Discussions have been since undertaken with the Minister of Transport and with the shipping industry, concerning this issue.

Mrs. Mitchell: Madam Speaker, I did not hear an assurance that jobs on those ships would be for Canadians.

STEPS TO ENCOURAGE BUILDING OF CANADIAN SHIPS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce because of his interest in industrial strategies that will create jobs. Legislation is now before the U.S. Congress which will protect the U.S. fleet at the expense of Canadian shipping. While other major trading nations are expanding their fleets and protecting their own interests, Canada continues to give away jobs by relying on foreign registered ships. As part of his so-called industrial strategy, what steps is the minister taking to ensure that we will build Canadian ships that will be registered in Canada, that will be manned by Canadian crews, and that will train a

lot of our young people for jobs that are very important to them?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I understand that a memorandum has been tabled with the U.S. Congress suggesting that if this legislation is adopted it will increase the cost of shipping for American companies. They may well want to think twice about this proposal. In any event, Madam Speaker, at present we have underway a consultative process with the Canadian shipbuilding and ship industry, including the labour unions to develop the elements of a new national policy on shipbuilding for Canada. I hope that we will have these proposals before cabinet and ready for decision by the early fall so that Canadian companies and Canadian workers can play a major role in the very important industrial spin-offs which will come from the offshore development and the over-all development of the Canadian economy.

I think we are effectively moving in the direction sought by my hon. friend, a direction which is very much the policy and the approach of this government.

* * *

GRAIN

PROTECTION OF HANDLERS AGAINST LUNG DISEASE

Miss Aideen Nicholson (Trinity): Madam Speaker, in the absence of the Minister of Labour I will direct my question to his parliamentary secretary. In view of the fact that the three-year dust control program in the grain industry, initiated in 1978 by the Occupational Health and Safety Branch of the Department of Labour, will end this fall, and that grain handlers continue to be concerned about the risk of lung disease, can the parliamentary secretary tell the House what additional measures are now proposed to protect these workers?

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Madam Speaker, I thank the hon. member for the question. Of course she is right in asserting that the report will be completed this fall. At that time a policy decision will be made. In considering the policy decision to be made at that time, many different aspects will be considered, and the government will be coming out with a decision at that time.

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VETERANS AFFAIRS

BACKLOG OF PENSION APPLICATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Acting Minister of Veterans Affairs. At present there is a backlog of 4,500 pension applications which are taking up to five years to process. The pension chairman has stated that he is hamstrung by the present veterans' legislation. He says that the delays will get worse. Statistics provided by veterans' organizations show a 50 per cent death rate while waiting for pensions to be processed. What is the minister going to do about this?

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, the member for Winnipeg-Assiniboine seems to have great concern about veterans' welfare. I do hope that this is a genuine concern and not a political concern. If it is genuine, he could have proved it by being in the House last week when we passed two very important pieces of legislation on veterans.

The hon. member for Winnipeg-Assiniboine knows very well what we are doing about veterans' welfare. He was present at the Standing Committee on Veterans' Affairs. He has talked to and has met with Mr. Solomon and all the presidents and the chairmen of the agencies. He knows very well that there have been improvements in the cases to be heard. I think I could quote him as being very erroneous in some of his statements and the letter he wrote to the Prime Minister.

An hon. Member: What is the answer?

Mr. Lamontagne: The answer is that we are constantly in contact with the chairmen of each of the agencies. We try to supply them with all the members that the agencies need. They tell me that their work is improving tremendously.

As a veteran myself, an ex-POW, I know better than anyone in this House and like many others who are ex-POWs and veterans, what we should do about the welfare of veterans.

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I have a brief supplementary question. It is unfortunate that the minister cannot convince the veterans organizations, of that line. Why did he not come to the House to answer me in debate last night if he is so concerned?

The Auditor General's report points out that, as a basis for measuring actual performance, the Canadian Pension Commission should formalize processing time standards to the maximum extent practicable in all areas of the pension adjudication process within its control. As the pension commission cannot do this under the present legislation, will the minister introduce corrective legislation which will allow the pension commission to process claims in a reasonable time period, not five years? The United States can do it in 90 days; if they can do it in 90 days we should be able to do it in 90 days, not five years.

Hon. J. Gilles Lamontagne (Acting Minister of Veterans Affairs): Madam Speaker, the hon. member should know that the system in the United States and ours are completely different.

Mr. Clark: Their works.

Mr. Lamontagne: I think the hon. member should know that it is not based on the same principle. It is not based on the

same way of evaluating the pension of each veteran, so it cannot be compared. As far as the hon. member's statement that it takes five years to settle a pension claim is concerned, if he will let me have the names of these veterans who have tried for five years to get a pension and did not get it, I will see what happened.

Mr. Clark: What are you going to do—threaten them?

* * *

● (1440)

AUTOMOTIVE INDUSTRY

FUTURE OF BUDD AUTOMOTIVE COMPANY—REQUEST THAT MINISTER TAKE ACTION

Mr. Walter McLean (Waterloo): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. He was in the House a moment ago. In the minister's absence, if he has left the House, I would direct it to the acting minister. My question relates to the Budd Automotive Company in Kitchener which is now faced with the possibility of laying off up to 45 per cent of its employees for between six and nine months if it does not continue to manufacture frames for General Motors cars in Canada. Will the minister take this opportunity to assure the people of Waterloo region that he will raise this matter during his meeting with General Motors' officials tomorrow?

Secondly, will the minister consult with his colleague, the Minister of Labour, concerning certain unorthodox union agreements in the United States which at this time bring unusual pressure to bear on the union membership at Budd Automotive, and which directly affect the competitiveness of the Canadian automotive components industry? Will he undertake to protect the jobs of these Canadian workers?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, the Minister of Industry, Trade and Commerce is also very concerned about the situation described by the hon. member. Obviously, the minister will do everything possible and will take advantage of every opportunity to find a satisfactory solution to this problem.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

PROPOSED SALE OF PORTION OF KITCHENER COMPANY TO SWEDISH INTERESTS

Mr. Walter McLean (Waterloo): Mr. Speaker, the urgency of the issue cannot be underestimated. I appreciate the acting minister's assurance. The minister will also be aware, in his capacity as minister responsible for FIRA, of the proposed sale of certain segments of Uniroyal's Kitchener operation to A.B. Becker of Sweden. This anticipated transaction has already resulted in over two dozen salaried employees being let go from Uniroyal's general products and textiles plant. My question to the acting minister and the minister is: will they take the opportunity to see that any decision by FIRA in this matter will protect the jobs of Canadian workers and thereby ensure that the decision will be of significant value to Canada when there is a foreign takeover?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, when the Minister of Industry, Trade and Commerce reviews the recommendations of the Foreign Investment Review Agency, his first objective is naturally to protect Canadian interests, that is employment in Canada, and to promote new and important investments for the Canadian economy. That is the philosophy of the Foreign Investment Review Agency and the Minister of Industry, Trade and Commerce, who will certainly give every consideration to the recommendations made by the hon. member.

* * *

[*English*]

SHIPPING

SHIPMENT OF DANGEROUS GOODS THROUGH CANADIAN PORTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Transport. Is he aware of the fact that large quantities of radioactive materials, many of them hazardous, are presently being shipped to and from the Port of Montreal and other Canadian ports almost daily, and that these shipments are often stored for extended periods and trucked through city streets? Assuming he is aware of these practices, will the minister outline for this House the precautions which are being taken to protect shore workers, vessel crews, and citizens, from the dangers posed by these materials, and will he further undertake to provide this House with a complete inventory of all such shipments in and out of the ports of Saint John, New Brunswick; Halifax, Montreal and Vancouver during the past 18 months?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am surprised to see that the hon. member has not realized yet that the transportation of dangerous goods is a current event which happens every day in the whole of the Canadian economy. It is something that is desirable in terms of the economic development of Canada. There is no way one should prevent that from taking place, because one would have to stop a whole segment of the Canadian economy. Consequently the only thing governments can do in general is to take the necessary measures to make it as safe a procedure as possible. This is what takes place now.

Members were kind enough, clever enough, and wise enough to pass Bill C-18 last year, which covers exactly the transportation of dangerous goods. This is the law of the land now. I admit that the procedures and regulations are not completed,

but they are being drafted. In the meantime we are doing with the legislation we have. To give the hon. member a list of all the dangerous goods being transported in Canada at this time would probably fill his room. If that is what he wants I may try to accommodate him, but I do not think it would be very useful to him.

DANGERS TO PORT WORKERS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I have such a list there in respect of the Port of Montreal, which does not fill a room. The minister has not answered either of my questions regarding specific safeguards or specific shipments. Surely the minister must know that port workers in Montreal and elsewhere are often called upon to handle dangerous materials such as uranium hexafluoride gas, large containers of uranium concentrates and spent nuclear fuels, often without knowledge of the contents, concentrations or radiation levels, or adequate training in precautionary measures. Does he condone such laxity, and how does he justify the fact that these major ports under his jurisdiction do not even have any equipment on hand or trained personnel in place to monitor radioactivity or detect leaks?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I did not try to give the impression that we were on top of all of these questions in Canada.

An hon. Member: You didn't?

Mr. Pepin: No, I did not try to do that, because progress has to be made and progress is being made now. I am sure the hon. member has heard of the Grange Report. That Grange Report is presently being implemented, as I reported to the House recently, and five of the recommendations are before the CTC. The member seemed to imply that I should provide him with an indication of all the dangerous goods going around in Canada at this time. If he wants them limited to the port of Montreal, indeed I will try to do that. But again the name of the game is really to take all precautionary measures. He was referring to the identification of the dangerous goods themselves. Part of the Grange report recommends changes and improvements in the placarding and identification of dangerous goods, and this is going to take place.

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NATIONAL REVENUE

COLLECTION OF TAX PAYMENTS FROM SMALL BUSINESSES

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of Finance and Acting Prime Minister. In response to a question put yesterday to the Minister of National Revenue calling for the suspension of various premiums, contributions, and employee income tax deductions payable to the federal treasury by the small business community, the Minister of National Revenue replied:

There are arrangements for them to make their payments at chartered banks or offices of my department across the country.

He said that with a smile on his face, either misunderstanding the question or further rubbing salt into the wounds of the small business community, wounds which have been inflicted by the government. Therefore my question to the Acting Prime Minister is this: could he either confirm the callous statements by the Minister of National Revenue as being government policy, or, hopefully, deny that heartless comment and take immediate action to rectify this very serious problem facing the small business community of this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I read the minister's answer this morning and I thought the Minister of National Revenue made a very sympathetic response yesterday to the problem placed before him with respect to small businessmen in the country.

REQUEST FOR SUSPENSION OF PAYMENTS

Mr. Otto Jelinek (Halton): Madam Speaker, surely this is a question of suspending the payments and not forcing the small business community to pay them. Surely the government cannot on the one hand stop cash flows to the small business community as a result of the postal strike, and on the other hand force the small business community to pay premiums to the federal treasury. Surely that is not the case. Since today is the middle of the month when these payments must be made to the government, I plead with the minister, asking him whether he will immediately suspend these obligations on the small business community until all postal service is returned to normal service. Please have some compassion on the small business community in this country.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asks the government to have some compassion for the small business community. I believe that with the various measures we have adopted we have demonstrated our concern for the plight of the small businessman. For example, I have indicated to the House that through the instrumentality of the small business development bond, which makes funds available to small business at about half the market rate, this year about $3 billion has been committed for the use of small businessmen, and that is a very important measure.

● (1450)

The Minister of National Revenue said yesterday that all these remittances would be considered on an individual basis, but it is not possible for me, in answer to a question, to make a decision that all these payments will be waived at the present time. That is not possible at all. All these matters are being considered, and have been considered by the Minister of State for Small Businesses and Tourism, the Minister of National Revenue and myself, but the hon. member is asking for a very, very large decision when he asks us, because of this strike, to forget about all payments due to the government.

Oral Questions

EXTERNAL AFFAIRS

CANADIAN NUCLEAR SAFEGUARD POLICY—AGREEMENTS WITH OTHER COUNTRIES

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Last week, perhaps in an attempt to rescue the uranium industry in Canada, the minister announced his intention to abandon Canada's long established nuclear safeguard policy, which includes case by case review of exported uranium for reprocessing or enrichment, and that he expects to sign a new pact with the European Economic Community in the fall.

Despite the fact that I personally oppose the export of uranium, I expect it will continue. Nevertheless, since the government has repeatedly over the years asserted that it would not weaken bilateral safeguards, why is such an agreement being contemplated at this time?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am afraid the hon. member has it all wrong. There are no agreements being contemplated which in any way at all weaken our commitment to nuclear non-proliferation. What we are about is that we are engaged in applying our policy by signing supplementary agreements with countries in various parts of the world, such as the United States, Japan, the Philippines, and the European Economic Community, and the last of those is still under negotiation. These are ways of specifying in detail our policy of applying the principles according to the problems in a particular area, but there is no way by which those negotiations represent any weakening of our traditional positions.

Mr. Rose: Madam Speaker, according to the information I received, apparently Canada's negotiators with the EEC tried and failed to have a case by case review of uranium processing included in the new agreement.

PROHIBITION ON USE OF URANIUM TO PRODUCE ATOMIC WEAPONS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, will the minister assure the House today that he will refuse to sign any export agreement with any country which does not maintain Canada's right to ensure that Canadian uranium is not used ultimately for the production of atomic weapons?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, of course I will give that pledge to the hon. member. I am not sure what he means by case by case scrutiny, but in an agreement in which there is a general principle to be observed by both parties, which applies in every case, one would not then need a case by case rule. The rule would already be there, and it would merely be a matter of having all the nuclear arrangements take place under the standing rule.

CANADIAN WHEAT BOARD

ANNOUNCEMENT OF INITIAL PRICES FOR 1981-82 CROP YEAR

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is directed to the Minister of Transport, who answers in this House for the minister in charge of the Canadian Wheat Board, who sits in the other place. The minister is probably aware that the policy of the government for the past number of years has been to announce initial payments on grains early in the spring, several months before the beginning of the crop year, so that farmers would have the opportunity to make their plans for seeding and so forth.

We are now within 15 days of the beginning of the next crop year, and I wonder if the minister can tell us when the announcement will be made with respect to initial prices for grain for the coming crop year.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it was done this morning, and the initial price announced by the minister in charge of the Canadian Wheat Board for bread wheat, Canadian I CWRS wheat, is $4.75, which is higher by 50 cents than the initial price last year. The initial price for Durum is $4.75, which is 25 cents lower than last year because of fluctuations in the market. The initial price for feed barley is $2.70 which is the same as last year's initial price. The initial price of feed oats is $1.70, which is much higher than last year when it was $1.05. Those are the four main grains.

TIMING OF ANNOUNCEMENT AND REQUEST FOR TABLING OF INFORMATION

Mr. Doug Neil (Moose Jaw): Madam Speaker, I would like to thank the minister for giving us this information. I hope he will relay to the minister in charge of the Canadian Wheat Board the importance next year of having this information in the hands of farmers early in the year.

In addition, I would like to ask the minister if at this time he would table the information, please.

Mr. Munro (Esquimalt-Saanich): He has to. He has been quoting from it.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, on the subject of when initial prices should be announced there are two schools of thought. The first one says they should be announced earlier in order to give an advance message to the farmer. I followed that school of thought in the old days, and I am surprised the hon. member does not have a quote from me from back in 1969 on that subject, saying the same as he is saying now.

However, there is another school of thought, represented by Senator Argue, which says that in order to give as clear an indication as possible, he has to wait until now because of the fluctuations of prices around the world. In other words, he is in a much better position to indicate firm initial prices today than

he would have been three months ago. This is a debatable subject. We will have occasion to debate it further.

Mr. Neil: Table the information.

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PUBLIC SERVICE

COST OF LIVING DIFFERENTIALS APPLICABLE TO AIRPORT FIREMEN

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the President of the Treasury Board. One of the issues facing public service unions is the cost of living differentials across Canada. For example, airport firemen in some areas are being paid roughly $3,000 more than their city or provincial counterparts, yet at the Vancouver International Airport they are paid $6,000 less than their Vancouver counterparts city, and in some cases are in danger of losing their homes. I would like to ask the President of the Treasury Board if he is considering any cost of living differentials in upcoming negotiations with the members of this particular union.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, might I preface my answer by telling members of the House that just after I answered the question of the Right Hon. Leader of the Opposition I was advised that the name of Judge Allan Gold, Chief Judge of the Provincial Court of the Province of Quebec, has been released. He will be acting as mediator in the postal dispute. I understand mediation will get under way Friday because he is presently out of the country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Johnston: In answer to the question asked by the hon. member, Madam Speaker, I shall say that the problem concerning negotiations is real because of the fact that we have national unions. Whenever possible we try to establish regionally based negotiating units, but until now most organized workers have objected to this idea. Moreover, with regard to differences in the cost of living of the various regions I must say to the hon. member that we have not yet attempted to negotiate such an arrangement.

[*English*]

REQUEST THAT NEW BARGAINING UNITS BE CONSIDERED

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I am grateful that the minister recognizes that problem. In light of the fact that uniformity across Canada creates great unfairness in the working sector, I would like to ask the minister whether he is considering, or would consider, legislation which would allow certain regions to decertify and form new bargaining units so that the new bargaining units could represent their membership in a way which would help them meet the cost of living differentials across Canada.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, as I indicated, in terms of these national unions in the public sector, when there are clear regional disparities, it seems to me that the preferred approach would be to try to negotiate a means whereby those disparities can be recognized through different regional rates. We have that in certain circumstances with respect, for example, to the general labour and trades group. We have it in others such as the general services group, but by and large we have not been able to convince the public sector unions that we should have these regional differentials represented in the rate structures. That is something I am still striving to do and, it seems to me, that would be the preferred approach.

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● (1500)

PETITION

MR. SKELLY—HEALTH PROBLEMS AND FINANCIAL LOSS ATTRIBUTED TO USE OF UFFI

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the sixtieth report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Comox-Powell River (Mr. Skelly) and finds that it meets the requirements of the Standing Orders as to form.

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POINT OF ORDER

MR. NEIL—REQUEST FOR TABLING OF DOCUMENT

Mr. Doug Neil (Moose Jaw): Madam Speaker, I ask the Minister of Transport (Mr. Pepin) if he would table the document he was reading from. I think it is customary in the House that where a minister refers to a document, that it is tabled in the House. I think it is important we do have that information.

Madam Speaker: The hon. member is correct when the minister or a member quotes a document in debate. However, the rule applies differently during the course of question period when a member asks a question which requires a minister to refer to some document. Under those circumstances, my predecessors have hesitated to ask ministers to do so because, of course, it would be so easy to set up a minister in this fashion to have him table documents which he might otherwise not want to table for reasons of his own. I will just quote Beauchesne's citation 327(6). It reads:

> If a minister cites or quotes an official document in debate, he should be prepared to table it.

However, the circumstances do not apply.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

TRADE

TABLING OF FIRST ANNUAL REPORT OF RESTRICTIVE TRADE PRACTICES COMMISSION

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, under the provisions of Standing Order 41(2), I have the honour to table in both official languages, the first annual report of the Restrictive Trade Practices Commission.

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[*English*]

MEMBERS OF PARLIAMENT

CHANGES IN SALARY AND EXPENSES

Mr. Chas. L. Caccia (Davenport) moved for leave to introduce Bill C-638, entitled, "An act respecting the coming into force of future changes in salary and expenses provided to members of Parliament".

Madam Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. Members: Agreed.

Mr. Caccia: Madam Speaker, the bill puts forward the idea—perhaps unpopular here today but not necessarily so in future—that in case of future legislation concerning salaries of members of Parliament, the Parliament of the time will legislate so that the measure will come into effect immediately at the commencement of the following Parliament.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 669, 2,290, 2,449, 2,492, 2,590, 2,635, 2,687 and 2,702.

[*Text*]

LESLIE JAMES BENNETT

Question No. 669—**Mr. Cossitt:**

1. Did or is the government investigating if former RCMP security official Leslie James Bennett had any connections whatsoever with British spies Kim Philby, Guy Burgess, Donald Maclean and Anthony Blunt and, if so, what are all the details?

2. Is the government aware of a press interview given on or about November 20, 1979, by Mr. Ernest Volkman, a journalist in New York City, in which he stated that a Canadian who worked in British intelligence at one time and later with RCMP intelligence was the "6th Man" in the Philby-Burgess-Maclean-Blunt affair and does the government have knowledge of any kind that this so-called "6th Man" could be Mr. Leslie James Bennett?

3. Does the government have any knowledge that the "6th Man" is someone other than Mr. Bennett and, if so, who is the person?

Hon. Bob Kaplan (Solicitor General): 1, 2 and 3. It is the policy of the government neither to confirm nor deny that any investigation concerning specific individuals or organizations is being or has been carried out pursuant to the mandate issued to the security service in March, 1975. For the foregoing reasons, any comment on the matters raised in this question is judged to be contrary to the public interest, beyond stating that the government is aware of a press interview given by Mr. Ernest Volkman in New York City in November, 1979.

TREATY INDIANS—TRUST FUND

Question No. 2,290—**Mr. Blenkarn:**

Does the government have, and hold on behalf of treaty Indians, a Treaty Trust Fund and, if so (a) in what amount (b) where is it invested?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): There is no "Treaty Trust Fund" as such held by the government. Annuity payments, hunting and fishing equipment and triennial clothing for chiefs and councillors contained in the various treaties negotiated between the Crown and Indians are paid from the Consolidated Revenue Fund. The government also does hold, on behalf of Indian bands, moneys which are primarily derived from oil and gas royalty payments and leases, and to a lesser extent, from other minerals. Such payments are made to the government and are credited to the relevant Indian band. At the end of February, 1981, (a) the moneys held by the government on behalf of Indian bands totalled $290,199,700.00. The moneys (b) are not invested as such but are held in the Consolidated Revenue Fund. Interest is paid on these funds at an interest rate which is based on the average rate of those market yields of the Government of Canada bond issues as published weekly by the Bank of Canada.

STUDENT EXCHANGE TRIPS

Question No. 2,449—**Mr. Neil:**

1. Which departments sponsor student exchange trips?

2. For each calendar year 1978 to 1981, how many trips were sponsored and what was the total cost?

3. For each trip, what was the (a) name of the school involved (b) destination (c) number of students involved (d) cost?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Canada Employment and Immigration Commission and the Departments of External Affairs and Secretary of State of Canada as follows: in so far as the Canada Employment and Immigration Commission is concerned: presently, the CEIC administers the Canada-Mexico Exchange Program for Young Specialists and Technicians, the Canada-France Trainee Agreement of 1956 and the Canada-Switzerland Trainee Exchange Program. All

three of the above-mentioned programs are solely for trainees and do not accommodate students. The CEIC also has major responsibility for setting annual allotments for specific student and youth international employment exchange programmes but does not sponsor any exchanges.

In so far as the Department of External Affairs is concerned: not applicable.

In so far as the Department of the Secretary of State is concerned: 1. The Department of the Secretary of State sponsors student exchange trips in Canada.

2. (a) Number of trips sponsored for each fiscal year 1978 to 1981:

1977-78	84
1978-79	805
1979-80	592
1980-81	498

(b) Total cost for student exchanges:

1977-78	$ 1,480,230.77
1978-79	11,953,427.78
1979-80	9,966,628.00
1980-81	9,713,277.00

3. Records have not been maintained in a manner which would enable the department to extract the required information readily and without an inordinate amount of work, time and cost.

VESSEL "MAISONNEUVE"

Question No, 2,492—**Mr. Crosby:**

1. (a) Is the vessel *Maisonneuve* in service in Montreal Harbour and, if so, what are its functions (b) what was the cost to the government to operate and maintain the vessel, including depreciation, in each year 1976 to 1980?

2. During 1980, did the Minister of Transport, the chairman of the National Harbours Board, Mr. A.E. Masters or any member of Parliament board the vessel and, if so, on what date and for what reason?

3. How many persons are employed at present to maintain and operate the vessel and what is the cost of their employment per year?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises that:

1. (a) Yes. Depth measuring; sonar sweeping to detect shoals; lateral sweeping to mark out erosion under wharf caissons; towing barges carrying wharf maintenance equipment; echo soundings to check on dredging results; investigating ships' complaints about obstacles to mooring through the use of a sounding rod; replacing the port's small service boat when it is unable to meet any of the following needs—to set in place or remove large fenders, to investigate cases of pollution, to inspect wharves and caissons; and a marketing tool for official visitors to the port.

(b)

For 1976	$48,505
1977	49,810
1978	52,550
1979	56,655
1980	65,725

NOTE: Each of the above amounts includes a sum of $26,630 for depreciation.

2. Mr. A.E. Masters boarded the vessel on July 17, 1980, to participate in a visit held for representatives of the shipping industry. The chairman of the National Harbours Board boarded the vessel on August 7, 1980, to participate in a gathering held for representatives of the shipping industry.

3. Three persons are employed at present to maintain and operate the vessel *Maisonneuve*, the *Connie E* (small service boat) and some barges. The cost of their employment per year is approximately $63,760 about one third of which applies to the *Maisonneuve*.

DREE—CANADIAN MEDIA CORPORATION CONTRACT

Question No. 2,590—**Mr. Stewart:**

Did the Department of Regional Economic Expansion issue a $450,000 contract to the Canadian Media Corporation for the acquisition of media time and space and, if so (a) were public tenders called (b) what was the name of each bidder and the amount of each bid submitted (c) what was the total amount of media time and space (d) what portion of the amount was paid as commission to the corporation?

Hon. J.-J. Blais (Minister of Supply and Services): DSS awarded a contract, on behalf of the Department of Regional Economic Expansion, for the amount of $450,000 to Canadian Media Corporation for the acquisition of media time and space.

(a) No.

(b) Not applicable.

(c) $385,000 for the placement of print advertisements and $65,000 for the airing of radio commercials in support of the "Special Investment Tax Credit" program.

(d) None.

In accordance with Treasury Board policy on government advertising (CMC) Canadian Media Corporation is under contract to DSS as the agency of record and is responsible for the consolidation and purchase of all government media and space requirements. For the provision of these services CMC receives a monthly management fee. Accordingly, a contract for a gross media value of $450,000 was awarded to CMC. None of this amount is payable as commission.

UNIVERSITY OF SHERBROOKE—COURSES

Question No. 2,635—**Mr. Herbert:**

Does the Department of Energy, Mines and Resources support instruction courses at the University of Sherbrooke and, if so (a) in which subjects (b) in what form is the assistance (c) what is the estimated cost?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: no. (a), (b), (c) Not applicable.

Order Paper Questions

DND, CIDA & DOT—HEWLETT PACKARD LTD. CONTRACT

Question No. 2,687—**Mr. Stewart:**

Did the Department of National Defence, the Canadian International Development Agency and the Department of Transport purchase electrical measuring and testing equipment valued at $85,917 from Hewlett Packard Ltd., Ottawa, and if so (a) for what purpose (b) at what location will it be used?

Hon. J.-J. Blais (Minister of Supply and Services): Three separate contracts were awarded to Hewlett Packard Ltd., Ottawa, by the Department of Supply and Services on behalf of the Canadian International Development Agency, the Department of National Defence and Transport Canada. The total value of the three contracts is $85,917.

Details of the contracts are as follows: for CIDA—the equipment purchased for CIDA is for the PAN African Telecommunications Project and the destination is Dakar, Sénégal, Africa; for DND—the equipment purchased for DND will be used for maintenance purposes at CFB Esquimalt, Victoria, British Columbia; for TC—the equipment purchased for Transport Canada will be used in the test instrument maintenance laboratory, Edmonton, Alberta.

DND—MOBILE HOMES—ATCO PACIFIC LIMITED

Question No. 2,702—**Mr. McKinnon:**

1. Is the Department of National Defence ordering mobile homes from Atco Pacific Limited and, if so, for what purpose?

2. Are the homes being bought for $1,509,736 on order 1GL.39-3940 and, if so, how many?

Hon. J.-J. Blais (Minister of Supply and Services): 1 and 2. A contract in the amount of $1,509,736, order 1GL.39-3940 was awarded by the Department of Supply and Services to Atco Pacific Limited, on behalf of the Department of National Defence, for the supply and installation of 46 mobile homes to be used as housing accommodation at the Canadian Forces Base, Esquimalt, B.C.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,482 could be made an order for return, this return would be tabled immediately.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 2,482 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

CIDA LOANS TO FOREIGN COUNTRIES

Question No. 2,482—**Mr. Greenaway:**

1. In each fiscal year 1978 to 1981, how many loans were made by and/or through the Canadian International Development Agency to foreign countries?

2. For the same period, by year, which countries received loans and (a) for what purpose (b) in what amount (c) at what rate of interest?

Return tabled.

[*English*]

Mr. McKenzie: Madam Speaker, I would like to ask the parliamentary secretary about some questions of mine which have been on the Order Paper for many months, one of which is No. 1,795. It is with regard to private organizations receiving federal grants for research and development. The question has been on the Order Paper for eight and a half months, which seems quite a length of time.

In addition there is question No. 1,667 which dates back to October 31, 1980. It reads:

What is the total number of applications currently before the Defence Industry Productivity Program (DIP) and what are the names of the companies?

That is a pretty straightforward question and I do not see why it has to take that length of time for an answer to be provided.

Another question which is very important to Manitoba and the west is question No. 1,541, which I placed on the Order Paper on October 6, 1980. It reads:

Did the government contract for industrial benefits for any province by name in the contract with McDonnell Douglas Corporation for the new fighter aircraft and, if so (a) which provinces were named (b) what is the total dollar value of any industrial spin-off allocated to any specific province?

To date all I hear is releases of work for the provinces of Quebec and Ontario. No announcement at all has been made for anything in regard to the aerospace industry in Winnipeg and I would like to have an answer as soon as possible on that very important question.

Mr. Collenette: Madam Speaker, I will take all the questions first, and respond en masse.

Mr. Beatty: Madam Speaker, perhaps I could add to the parliamentary secretary's list. On Friday he made the following statement:

In anticipation of a question from the hon. member for Wellington-Dufferin-Simcoe, it is my intention to answer his two questions on Monday.

The parliamentary secretary answered one of my questions on Monday after, I believe, some seven months, and I am grateful to him for his speed in at least getting an answer. I have since had a note from the Minister of Communications (Mr. Fox) indicating there is a problem with the second question, that it was improperly answered or that there was some other difficulty. Could the parliamentary secretary indicate when he will be tabling the answer to my second question which he promised for last Monday?

Mr. Cossitt: Madam Speaker, I again draw attention to question No. 30. Apparently the government has never heard

of the old biblical saying: ask and you shall receive, because I have asked for this for five years and 30 some days as of today. It seems to me utterly ridiculous that they cannot tell us what members of the Canadian Transport Commission have passes on Air Canada, and what wives of members have passes, and what employees have passes. Yet for five years and 30 some days we have had absolute silence. Every time I raise it, the parliamentary secretary obligingly says: "I will look into it." His predecessor said the answer would be forthcoming soon, and for all this time I have been told it is coming soon. Well, it is a pregnancy that is pretty overdue, and I hope, Madam Speaker, the parliamentary secretary can rise today and tell us when we are going to get the answer.

In conclusion I would like to say this: It is because they are hiding a conflict of interest in that if they delay it long enough the records will be destroyed because they are only kept for so many years? Is there not a conflict of interest here where members of the Canadian Transport Commission, who regulate Air Canada, are getting free jaunts all over the world along with their wives and others? Something smells bad and I wish he would enlighten us.

Mr. Collenette: Madam Speaker, as the hon. member for Leeds-Grenville (Mr. Cossitt) said, I am an obliging person and I have tried to oblige members on the other side during this session. Of over 2,700 questions asked, we have provided 2,232 answers as of today. It does disturb me that we cannot have a 100 per cent response rate, but I will do my best in the time left in this session.

● (1510)

With respect to questions Nos. 1,795 and 1,667 in the name of the hon. member for Winnipeg-Assiniboine (Mr. McKenzie), certainly I will look into them on an urgent basis.

The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) is correct in the extracts he read from *Hansard*. Unfortunately, I led him to believe that question No. 2,455 would be tabled on Monday of this week. As he knows through private conversations held between him and me and him and the Secretary of State (Mr. Fox), an incomplete answer was provided to the minister. That answer is now ready. Unfortunately, the Secretary of State is not in Ottawa today. He will be looking at the answer tomorrow for final approval, and we shall table it in the House tomorrow. I do not want him to think that we are playing games with him.

With respect to question No. 30 in the name of the hon. member for Leeds-Grenville (Mr. Cossitt), I realize the hon. member has been rather patient in awaiting a response to the question. I would ask that he be a little more patient. Perhaps he could take a leaf from the book of the hon. member for Wellington-Dufferin-Simcoe who requested a number of times the tabling of a certain question. Perhaps it is not the number of times one asks; it is in the manner of asking.

Some hon. Members: Oh, oh!

Mr. Collenette: Perhaps we shall be obliged to give that answer very soon.

Mr. Cossitt: Madam Speaker, I rise on a point of order or on almost a question of privilege. The parliamentary secretary said that it is how one asks it, not how many times. In other words, are we being told—

Madam Speaker: Order, please.

Mr. Cossitt: I think it is a legitimate question. I am being told that I have to get down on my knees to the parliamentary secretary. I will not do so.

Madam Speaker: The hon. member knows that these exchanges take place in the House. He also knows that that is not a question of privilege or a point of order.

Is it the pleasure of the House that question No. 2,482 be deemed to have been made an order for return?

Some hon. Members: Agreed.

Mr. Collenette: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS ACT

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Tuesday, July 14, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 3 (Mr. McGrath).

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, sometimes when one puts a 30-second speech on the record, one is tempted to let it stand. But today I would like to speak about a bill which I consider to be one of the most important of all the bills we have dealt with in this session. In fact, in my opinon it is the most important, other than the constitutional bill.

Bill C-48 has an effect upon the country beyond just energy. This is why we are debating the amendment which was put forward so eloquently by the hon. member for St. John's East (Mr. McGrath). It will replace the jurisdiction of the federal government over the offshore without consultation or the consent of the province.

I see the chairman of the energy committee is present this afternoon. He will know that many of us were of the understanding that this bill would not be debated until this autumn. The members of the committee received hundreds of letters from citizens across the nation who were opposed to certain sections of the bill. We attempted to deal with those letters and those concerns, as well as the concerns of hon. members of the House, by way of amendments in committee. It is rather typical of this procedure that the only amendments which were accepted were the government ones; all other ones were rejected. Hence, it was incumbent upon hon. members of the opposition who had these concerns at heart and agreed with many of them to correspond with these concerned Canadians. This is what I attempted to do in discharging my responsibilities to some 200 or 300 people and groups of people. I had the misfortune of placing those letters in the mail two days before the strike.

We are now debating this bill at report stage. The citizens have not had an opportunity to see the amendments to this bill, yet we are now being asked to rush this piece of legislation through at this time of the year. I suppose the government feels that there will not be time for native people, the many serious groups in this nation who are concerned about the effects of this bill on energy and energy production, as well as the citizens of the maritime provinces and the northern regions, to correspond with hon. members on both sides of the House respecting their concerns and the amendments they think should be put in place.

Also the chairman of the committee will recall that there was a consensus among hon. members one day. It was placed on the record by the hon. member for Vancouver-Kingsway (Mr. Waddell) rather deviously, because he did it on a point of order which should have been ruled out of order. At any rate, it was placed on the record. We did not say anything about it because we felt it was an important motion. The committee members agreed unanimously that we should travel.

Mr. MacLaren: No.

Mr. Schellenberger: Yes, they did. I was present. No one objected. It was the next day that the objection came forward. This would have been important because although many witnesses came forward and gave us information as to why we should change or accept the bill, many of the members who were on the committee did not come from those regions. It was important for members to actually spend some time in those provinces and in those areas of Canada which will be deeply affected by the bill. Of course we were not given that opportunity, and I think it is tragic in that we are now pushing the amendments through at a time when many people in the nation have not had an opportunity to get in touch with their members by mail.

Given the statement of the Minister of Energy, Mines and Resources (Mr. Lalonde), the amendment of the hon. member for St. John's East has the sympathy of hon. members from the prairie provinces. We must remember that while we are dealing with this in 1981, my ancestors and those of many hon. members who sit in the House went through this very same debate from 1905 to 1930. I want to show that there is consistency between what happened then and what is happening now. It is the very same type of argument.

First I should like to read from the speech of the Minister of Energy, Mines and Resources, as reported on page 11472 of *Hansard,* wherein he stated:

> They believe this should be up to the provinces, territorial governments or other groups. That is not our view. Our view is that those lands belong to all the people of Canada. The immense wealth that is there belongs to the people of Canada as a whole.
>
> The Parliament of Canada is the guardian and trustee of the immense wealth which should be developed and protected in the interests of the people of Canada as a whole and the people of the regions concerned in particular. That is our view.

Basically that comes down to the feeling of many of my constituents, that feeling of alienation, of not being in total control of their resources. This feeling is still in place today. If anyone believes that it is in any way waning, that is not the case. It is grinding them further into the ground. They are placing their feet down firmer than ever. I do not want to be a member of this House in a few years, hearing the same thing coming from my friends from Nova Scotia and Newfoundland or, hopefully, soon, from the provinces of the Yukon and the Northwest Territories.

● (1520)

Because of my own interest and because of the feelings of my constituents and my family over the years, I went back in the debates to see what happened then. I found that what happened then is very consistent with what is happening now. The Hon. R. B. Bennett speaking on April 29, 1930, summarized the argument very well. The Liberal Party of that time believed that the ownership of the resources of the provinces of Saskatchewan, Manitoba and Alberta should continue to be, for the good of Canada under the jurisdiction of Canada, and that other provinces which came into Confederation earlier would have their resources under their own control.

I would like to quote briefly from the Hon. R. B. Bennett's speech. He said:

> Twenty-five years ago this fall, in the House of Commons, the Liberal party unequivocally placed itself on record as being opposed to the granting of these resources to the western provinces. On a division, which is recorded in *Hansard*, the Liberal party of that day decided that the new provinces of Alberta and Saskatchewan should not possess their resources. The Conservative party of that

day believed that they would not be provinces, within the meaning of that word, under the constitution, if they were deprived of their resources; they believed that the administration of the public domain within the area of Alberta and Saskatchewan by the Crown in right of the Dominion was at variance with every principle that should govern the creation of new provinces, and they placed themselves on record accordingly.

There are other interesting situations raised in the speech of the Hon. R. B. Bennett. He indicated that the Conservative governments of Borden and Meighen committed themselves to turning the resources over to the provinces. However, they were unable to do so. First, they were not given the chance to do so because of the war. They had to deal with very important matters and were not able to get the bill on. The second reason was the very short period of time that that party was in government. The Conservative party kept true to its commitment. When it came into power within a few months of the speech from which I have quoted, Mr. Bennett transferred the ownership of the resources to the provinces of Alberta and Saskatchewan.

Today we are debating the same question. It is whether the resources under the ocean, off the shores of those provinces, or found on islands a few miles off the shores of those provinces, should be under the control of the provinces. We know what the argument is on the other side. The Minister of Energy, Mines and Resources has had a great deal of trouble with pesky provinces. He does not like to lower himself to work out an agreement. He wants control. He wants the power. Thus, we see the energy agreement which should have been worked out months ago with Alberta, Saskatchewan and British Columbia not being worked out, although rigs are being driven from the area and tar sands and heavy oil plants which should be going ahead are not going ahead.

In my opinion there is a plan to all this. The plan is to move that capital into the offshore and into the north. The government is really not that concerned about getting new energy sources from Alberta or the prairie provinces as long as it can see its way free, hopefully, to getting those resources from the offshore or the north. But far be it for the government to allow pesky provinces to get in the road.

I can outline for the minister and the country my feelings on how the Department of Indian Affairs and Northern Development has been systematically dismantled. In effect, Alberta is a province, and the minister of energy does not want the Minister of Indian Affairs and Northern Development (Mr. Munro) in his way when he permits land to be explored by Petro-Canada and other companies. Nor does he want to concern himself with the provinces of Newfoundland and Nova Scotia when development and drilling is given the go-ahead in that part of the country. The whole question is one of control of development and control of money. Is the federal government poorer because Alberta is richer? Are the provinces of Ontario, B.C., or Quebec poorer because Alberta is richer? Many on the opposite side of the House tend to think so. They tend to think that somehow it is wrong for a province which has legitimate control of its resources to spend the wealth from those resources in the interests of Canadians. They say that is not right. They think that it is far better for the nation to have control of the resources and of the wealth and to see that it is spent in the national interest. As my colleague has said many times, that wealth is squandered, which is why the provinces fight so hard to maintain control of their resource wealth. In many cases they have shown the ability to better spend it in the national interest.

It was stated by the hon. member for Assiniboia (Mr. Gustafson) that the average income of the citizens of Newfoundland is in the area of $4,000. That is probably one of the lowest average incomes in the nation. In the same manner as we in Alberta and Saskatchewan saw the ability to fully participate in this nation through the wealth of our resources, so do the people of Newfoundland and Nova Scotia see the ability to participate in this country as full participants. They see the chance to create work and wealth in their own area rather than to live without the knowledge that their jobs will always be there or, in many cases, without the knowledge that they will be perpetually on unemployment insurance or welfare. They now see an opportunity.

When we look at the bill which is before us, we see the federal government attempting to grab that opportunity. The government is saying, "Well, we will allow you to have the wealth of that resource until your average income is the same as that of other provinces. Then you must come to us again for handouts because we will want control of the resources again." We in this party do not feel that is acceptable. Our feelings have been consistent on this question.

When the right hon. member for Yellowhead (Mr. Clark) was prime minister, he met with the Premier of the province of Nova Scotia. The correspondence which was transmitted between the two parties is available to all members. The then prime minister laid out the feelings of this party with regard to offshore control and ownership of mineral resources. I would like to read from a letter dated August 23, 1979. The then prime minister said:

It is our belief that this challenge can only be met if the province has ownership of and jurisdiction over its offshore mineral resources. Accordingly, we greatly appreciate your support of Newfoundland's position and the position of the federal Conservative party that Newfoundland's undersea resources should be treated constitutionally in the same manner as if they were on land.

It is almost the same as saying that the oil which is under Wizard Lake in Alberta is not owned by the province of Alberta.

Some hon. Members: Hear, hear!

• (1530)

Mr. Schellenberger: It is almost the same as saying that because there is a few feet of water over what is legitimately the land mass in Newfoundland, it is no longer possible for it to be under the jurisdiction or the control of that province. I want to show what I believe is happening as it is a major area, as is confirmed by what is happening under the National Energy Program and under this bill. By driving the rigs out of Alberta, we are losing an opportunity of finding billions of barrels of oil and natural gas. This government believes, and I hope it is right, that it can bring on stream from Hibernia and

offshore Nova Scotia, and in the north, substantially more oil than could come from drilling in Alberta, even from the building of those tar sands plants and heavy oil plants. I believe that to be a risk that we should not be taking in Canada. While we should continue very strongly in the exploration of these two regions, we should not do it to the detriment of what we know to be possible in the western deposits of Alberta, Saskatchewan and B.C.

A forecast by a technical paper provided by this federal government suggests that 22,000 exploration wells must be drilled in western Canada in the next 10 years to find some 2.6 billion barrels of oil. It states that, by comparison, only 75 wells drilled in the Mackenzie Valley could discover the same amount of oil. The same is true for even less drilling in Hibernia. That may be so, and I hope it is true; but it is because of this policy that we are perhaps losing—and many say we are losing—energy self-sufficiency because we may not be able to bring that resource on in time.

However, in conclusion, I have to say that my argument today—and I will have a chance to make other arguments because there are many amendments to this bill—is that we in the western part of this nation have a great deal of sympathy for this amendment and support it wholeheartedly because we believe that the people of Nova Scotia and Newfoundland are fighting the same battle that our ancestors fought from 1905 to 1930 when they were finally given jurisdiction over those resources. In my opinion, there should be no argument, politically or morally, about this question, even though the Prime Minister (Mr. Trudeau) may say that there is some argument legally. What I am afraid is that we will be facing—

Some hon. Members: Oh, oh!

Mr. Schellenberger: —the same kind of alienation in those areas that we are now facing in Alberta. It disturbs me a great deal that citizens of that area are questioning their citizenship.

Mr. Ian Watson (Châteauguay): Mr. Speaker, the amendment to Bill C-48 which we are debating today is designed, according to the mover, to prevent Bill C-48 from imposing federal ownership and control upon the offshore areas of Canada. The arguments we have heard from the opposition during the last three days have repeated this assumption, which is totally incorrect. Bill C-48 simply does not do that. The bill does not, in any way, alter the relationship between the federal and provincial governments with regard to offshore ownership and control.

Mr. Crosby: Why did you put them in there, then?

Mr. Watson: That question is a matter for decision by the courts. All Bill C-48 does is to provide rules to regulate oil and gas interests in Canada lands. According to Bill C-48:

> "Canada lands" means lands that belong to Her Majesty in right of Canada, or in respect to which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources—

Bill C-48 does not declare the offshore areas to be Canada lands. That is a legal question. If there are areas offshore which the courts declare not to be Canada lands, then Bill C-48 does not apply to them.

I would not go so far as to label the amendment specious, because it at least allows us in this House to debate the fundamental issues regarding ownership and control of our offshore. However, I would argue that the amendment before us is certainly unnecessary because Bill C-48 does not do what the amendment pretends to do and pretends to correct. It is not necessary to correct something which is not there. However, the basic issues involved here are important, and they do reflect a very fundamental difference between the positions of the two major parties in this House.

The government, I hope—and I believe it does—starts with the premise that the resources of both our northern territories and our offshore areas are the common heritage of all Canadians and are the basis for a common sharing, the vision of which can help to bind Canada together. Canadians, whether living in Alberta, British Columbia, or Quebec, are part owners of the resources of the Yukon, the Northwest Territories, or offshore of those two territories. Surely, that form of joint ownership, that heritage we share together, does mean something to people. I am practical enough to think that people are a little selfish, and that no matter what province they live in, if they feel there is something there of which we all have a part, it is part of the cement, or can be part of the cement, that binds this country together. It is all very well to talk in flowery terms about sentiment binding this country together. I think there has to be more than sentiment. As a matter of fact, we all know that there is a lot more than sentiment binding the country together. There are a lot of practical things, and this is one of them.

When I say that, I want to preface that statement with a commitment which, I presume, has been made by the present Government of Canada and has been made in the past by Liberal governments, that Canadians living in those areas of the north or in the maritime regions, should have first call on those offshore or northern resources to assure themselves of a standard of living which is second to none in Canada. We are using different terminology here, but the former minister of northern affairs from Manitoba, who spoke two days ago in the House, came very close to using almost the same wording. Although I was quite pleased to hear him say it the other day, he did not say it when he was minister of northern affairs; namely, that what we want, first of all, is that the people of the north have a first call on their resources. He did not use those precise terms, but we all agree that those people should have the first chance to benefit. The people of the maritimes and people in Newfoundland should certainly have the first call on the resources which lie off their shores. In effect, we have promised as a government that Newfoundlanders will have 100 per cent of the benefits from their offshore exploitation until the time arrives when they have reached a level, a standard of living in Newfoundland, which is above the Canadian average level. Newfoundlanders—

Mr. McGrath: Up to the average level.

Mr. Watson: I stand corrected. I think that that is a level which can still be negotiated.

• (1540)

The government is willing to ensure that the maritime population, and in particular the Newfoundland population, receive the first benefit. The discoveries made there, while important, are not of Saudi Arabian proportions. It is probable that even if they find ten times the amount that has already been discovered, to all intents and purposes, Newfoundland would receive every direct benefit from the area. And so much the better, Mr. Speaker.

If the reserves are larger than is predicted, I doubt if many Newfoundlanders would object to sharing the additional icing on the cake with Canadians across the continent. The same is true with regard to maritimes living in Nova Scotia. When it comes to the Northwest Territories and the Yukon, the amendment does not make it clear whether it deliberately left out any reference to the offshore resources. The former Conservative government under its prime minister, promised to create a province in the Yukon, which, by example, would have required the creation of one or more provinces in the Northwest Territories.

This promise of provincehood, combined with the position of the former prime minister on offshore resources, would have meant that those new provinces would have requested not only that the land based resources be turned over to them but also the resources offshore. The total population of the Yukon is about 25,000 and of the Northwest Territories about 55,000; together they make up about .3 per cent of the Canadian population. When Manitoba entered confederation with a population of 12,000 to 15,000, its percentage of the Canadian total was about .6 per cent or .7 per cent. The population of the two northern territories only comes to about .3 per cent of the Canadian population today. When Prince Edward Island entered confederation, its population represented about 1.2 per cent of the Canadian total. This undercuts some of the arguments being advanced for provincehood.

While some elected officials in the Northwest Territories and the Yukon are pushing for provincehood immediately, very few people on the streets support the idea. I do not believe that the majority of people in the territories regard provincehood as a reasonable, near-term objective.

The potential for problems accompanying provincehood is substantial. A very small group of people could control the immense resources which our government maintains are the common heritage of all Canadians. I cannot imagine reasonable people anywhere in Canada believing that it is wise to create provinces in the north and to promise to turn over these immense resources to them.

What northerners need is a way to cut through red tape. Some members of the House are inclined to paint a picture of poor northern colonials, but in fact the small population in the north has more absolute control over its own destiny than any other group in the country. For example, 25,000 people in the Yukon control their own education system. What other group of 25,000 or 100,000 people in the country control their education? Northerners are not colonized, as many people in this House, particularly on the other side, would maintain. They are in control of their own lives.

That is not to say, Mr. Speaker, that there are not areas of frustration that could not be improved or that the federal government could not find mechanisms to enable people in the north to solve their problems in a more direct way. Improvements are possible.

I feel that we should not be looking at provincehood as the only possible long-term goal for government of those two northern territories, but that we should be looking for another form of government which would give the people of the north control over their destinies and, at the same time, give them more direct, effective, efficient democracy and self-government. Provincehood is not necessarily the right thing for them. In fact, what we do in the north might show all Canadians that a new form of government is possible; one that allows all of us to be governed in a more effective and efficient manner.

Mr. Gustafson: The word is domination.

Mr. Watson: It has nothing to do with domination. I share with hon. members a desire to make government less onerous and more efficient and effective, from the point of view of the average citizen. We should approach our objectives for the north with an open mind and not with blinkers, seeking only provincehood.

[*Translation*]

Progressive Conservative members have, I believe, used the debate on this needless amendment to expound on the position of their leader on offshore resources. Were the Leader of the Opposition (Mr. Clark) to have his way, ownership and control of resources would come under the provinces. It is not clear whether the amendment is purposely or accidentally vague on the issue of offshore resources in the Arctic, but as I said in English, our colleagues will recall that the Leader of the Opposition promised to give the Yukon provincial status before the end of his mandate as Prime Minister. That promise applied to the Northwest Territories also. Historically, there has always been provincial ownership of resources.

It would only be a matter of time before the new provinces of Yukon and Northwest Territories would demand and be granted ownership rights and control over land and offshore resources. If the official opposition was consistent in its reasoning we would find ourselves in a situation where ownership and control of land and offshore resources in all of the Canadian Arctic would be in the hands of approximately 25,000 people in the Yukon and 50,000 people in the Northwest Territories, that is, less than .3 per cent of the Canadian population.

During the referendum campaign, Mr. Speaker, I often said to my constituents in Quebec that Mr. Levesque and the Parti Québécois wanted to deprive Quebecers of their fair share of this common heritage, that is our northern resources. During this debate, Mr. Clark and his colleagues have shown once

again that they are ready to go even farther than Mr. Lévesque. They would in fact deprive all Canadians, Albertans, British Columbians, Newfoundlanders and Quebecers of their fair share of these resources which remain largely untapped to this day. The government of Quebec, the Parti Québécois, considers itself the champion of the rights of Quebecers; yet it supports Mr. Peckford's position on the issue of offshore resources which, if it were accepted, would necessarily make all Canadians, including Quebecers, lose their fair share of our common heritage, that is our offshore and northern resources.

• (1550)

[*English*]

Mr. Howard Crosby (Halifax West): Mr. Speaker, as I understand it, the specific matter now before the House is motion No. 3 which amends the definition section of clause 2 of Bill C-48. Clause 2 of Bill C-48 contains a definition that establishes the territory included in the term "Canada lands", and that is what the pith and substance of motion No. 3 is, to change that definition of "Canada lands" to exclude those lands which lie off the coast of Nova Scotia, Newfoundland and which in the bill are referred to as the submarine land.

I have had an opportunity on two previous occasions when Bill C-48 which enacts the Canada Oil and Gas Act was before the House on second reading; on December 17, 1980, and again on January 12, 1981, to outline the history of the province of Nova Scotia's claim to its offshore resources contained in the submarine lands that adjoin the coast of Nova Scotia. I will not repeat them on this occasion.

I will underline the fact that for centuries now the province of Nova Scotia has claimed these resources and the submarine lands. The government of Canada, on the other hand, prior to 1968 or thereabouts, made no claim to these same submarine lands and at no time purported to deal with the natural resources that may be buried in these lands.

The history of the matter in that connection stems from a Supreme Court of Canada decision in 1968 when the resources that were contained in the submarine lands off the coast of British Columbia were considered by the Supreme Court of Canada. In what became known as the reference respecting British Columbia Resources, the Supreme Court in its wisdom to belong to Canada and not the province of British Columbia and, consequently, the resources within them. That decision of the Supreme Court was by no means complete in that it purported to extend to all submarine lands adjoining the coast of Canada, whether on the Pacific or the Atlantic coasts. Nor was it complete with respect to submarine lands adjoining the coast of British Columbia. In fact, I read a very recent report that the government of British Columbia wants to bring again before the court the matter of ownership of specific areas adjoining the coast of British Columbia on the basis that those particular areas were not covered by the decision of the Supreme Court of Canada which was made in 1968.

Even with respect to the specifics of that decision, and with regard to the claims of the government of the province of British Columbia to its own coastline, the decision of the Supreme Court of Canada cannot be taken as complete and undisputed.

Having said that, Mr. Speaker, you will readily understand how the decision of the Supreme Court of Canada which relates to British Columbia lands is not accepted by either the government of Newfoundland or the government of Nova Scotia as resolving the dispute regarding the lands adjacent to their coast.

Let me speak very briefly about the history of the particular provisions we now have before us incorporated in Bill C-48 and which will become part of the Canada Oil and Gas Act if this bill is enacted.

The Parliament of Canada, following the decision regarding B.C. resources in 1968, enacted a new provision to the Oil and Gas Production and Conservation Act. This particular provision applied all provisions in that act to the submarine lands off the coast of Canada, but it did not in that provision claim those lands for Canada. It simply said the provisions of that act, the Oil and Gas Production and Conservation Act, would apply to those lands, which is quite different, I believe, from the provisions we now have before us as part of the definition section of clause 2 of Bill C-48.

I want to be very specific about that because I disagree completely with the remarks of the hon. member for Chateauguay (Mr. Watson), which were very similar to the remarks of the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), the member for Etobicoke North, in this House the other day on this same subject matter.

The thrust of their remarks, as I understood them, was that the definition of Canada lands now contained in Bill C-48 does not in itself claim or expropriate the submarine lands off the coast of Nova Scotia, or the coast of Newfoundland for the federal authority. It simply applies the provisions of Bill C-48 to those lands by way of describing them in the term "Canada lands".

I reject that interpretation of clause 2 of the bill defining Canada lands in light of the other provisions of the bill, because in fact the bill defines Canada lands very clearly to include areas like Sable Island and submarine lands up to the 200-mile limit off the coast of Canada. Also in another clause of the bill it claims and provides that the act applies to those very Canada lands.

That is simply not the technique that would be used if the purpose of the very careful definition of Canada lands was simply to allow the federal legislation to apply to those lands. We all know, who have studied these matters, that the federal authority has the simple right and authority to legislate in respect of many matters including natural resources, in some of their respects. Certainly the federal authority has the right and authority under the British North America Act to legislate with regard to environmental matters on the coast, whether or not they affect provincial resources.

• (1600)

In addition, by a clause of the bill, the provisions of the act are binding on Her Majesty in right of Canada or a province. That provision is contained in clause 5(4) of the bill. There is a clear intention evidenced in the bill, through the definition section and through the fact that clause 5(1) makes all the provisions applicable to Canada lands, and because of the fact that the bill by clause 5(4) is binding on Her Majesty the Queen in right of a province. There is, I believe, a clear claim to what is described as Canada lands, and it just simply cannot be put aside on the basis that if any court subsequently decides that the province of Newfoundland, Nova Scotia or any other provinces own submarine lands adjacent to their coast, then the act will not operate in that area. That is not true, and I think the provinces, particularly the province of Nova Scotia, see Bill C-48 as a claim to the submarine lands which have been historically claimed by the province of Nova Scotia.

Just to demonstrate that there is a clear conflict, I remind the House that the province of Nova Scotia, in the case of its petroleum resources act enacted in 1980, claims the very lands which are covered by the definition of Canada lands in Bill C-48. We have a conflict on the face of the two pieces of legislation, the Nova Scotia petroleum resources act and the proposed Canada Oil and Gas Act. Both purport to deal with exactly the same lands. If that is not a conflict and if that is not a claim by the respective jurisdictions, on the one hand the province of Nova Scotia and on the other hand the Government of Canada, I do not know what is. We ought not to be lulled into thinking that there is no problem here and that we can go ahead and not deal with the conflict in this House and allow some other authority to deal with it, because that would be to abandon our responsibilities and not to face up to the problem which exists.

Let me very briefly review the claim of the province of Nova Scotia which, as I have said, I have detailed on other occasions in this House. Basically, the province of Nova Scotia was established by a grant by King James I which gave to Sir William Alexander, in 1621, a band of land extending seaward for 120 miles, and it included Sable Island. Subsequent treaties confirmed these boundaries for the province of Nova Scotia. And, in 1867, when the British North America Act was enacted, Section 7 of that Act said that the province of Nova Scotia consists of the land, mines and minerals which belonged to that province at the time of confederation. The basis for Nova Scotia's claim is very clear. I will not purport to deal with the claim of the province of Newfoundland.

What do we do, given this claim by the province of Nova Scotia and the historic basis for the claim and given the existence of these two pieces of legislation, provincial on the one hand and federal on the other hand, claiming exactly the same land, the submarine lands off the coast of Nova Scotia? What do we do? We have a dispute, and we must resolve it.

How can the dispute be resolved? One way would be for the province of Nova Scotia or any other province interested in resolving the dispute simply to sit down with the Government of Canada in a sensible, practical way to work out the problem. But we all know that that is not the style and the method employed by the Government of Canada, not only in this area of natural resources but also in the constitutional area and in any other area, including medicare and any other problem which comes up. It is simply not the way, method and style of the Government of Canada to resolve disputes by sensible political negotiation. Indeed, the Prime Minister (Mr. Trudeau) confirmed in this House that as far as he was concerned, that method had been exhausted by perhaps a few meetings, which established very little, if anything. Notwithstanding that most sensible Canadians would have the dispute resolved by negotiation, the federal authority has refused to continue these negotiations and presents us with the provisions of Bill C-48 which, as I have said, is effectively a claim of the submarine lands off the coast of Nova Scotia.

Another simple method of settling this dispute would be to extend the boundaries of the province of Nova Scotia to include those lands, in the same way that this very House of Commons extended the boundaries of various provinces, including the province of Ontario and the province of Manitoba, in 1912 and 1913. Again, the Government of Canada has refused to follow this course of action and has claimed the offshore resources and the submarine lands to the extent of 200 miles and to the continental shelf, not for the people of Canada but for the Government of Canada. There is a very substantial difference.

It has been claimed in this House on several occasions by the Minister of Energy, Mines and Resources (Mr. Lalonde) and by the Prime Minister that they would be willing to settle the dispute with the province of Nova Scotia and the other coastal provinces, but the manner in which they propose to settle the dispute is not one which could possibly be acceptable to the government of Nova Scotia.

What the Government of Canada proposes by way of settling the dispute is to take over the submarine lands and the resources in those lands, to dictate the manner by which those lands and the time in which those lands are developed, to exercise full and complete control over all aspects of exploration and development and then, having done that, to return to the participating provinces a percentage of the revenues. The Prime Minister has even said that this percentage could rise to 100 per cent if that would resolve the dispute but, as well all know, 100 per cent of nothing is exactly that, nothing. So without any guarantee of what those revenues are going to be, for the Government of Canada to offer to the provinces 65 per cent, 75 per cent or even 100 per cent is to say nothing. What the province of Nova Scotia wants is the ability to develop those resources and, more particularly, to assist the private sector to develop those resources and to co-operate with the oil exploration and development industry to see that the resources in the submarine lands are developed as quickly as possible.

It should not surprise anyone in this House that the province of Nova Scotia and, indeed, the people of Nova Scotia have serious doubts about the willingness and the desire of the Government of Canada to bring about the development of offshore resources in submarine lands with the rapidity and at

the quick pace necessary to allow the province of Nova Scotia to continue its economic progress.

Unfortunately, settlement of the dispute comes down again, as in the case of any dispute I have ever been involved in, to the good faith and responsibility of the parties to that dispute. And we in Nova Scotia have seen no evidence on the part of the Government of Canada that it is willing to act in good faith and in a responsible manner to resolve this dispute. The federal government offers only a share of the resources without indicating in any way what that share might be. To myself and to many Nova Scotians, this is nothing more than a continuation of the charity payments, transfer payments and aid which have been provided by the Government of Canada in the past. And it will simply ensure for the future, as in the past, the economic plight of the maritime area.

There are a number of other items which relate to the particular provisions we now have before us in relation to the development of the Canada lands. And I want to point out to all hon. members of this House that the real heart of the problem and the real effect of the dispute is that it is impeding development of the offshore resources in the submarine lands. My colleagues on the other side of the House might not be willing to accept my word for that, but I have as support the word of the Minister of Labour (Mr. Regan) and of the Deputy Prime Minister (Mr. MacEachen), who have both said publicly on many occasions that the dispute with respect to ownership of offshore resources was hindering the development of those resources. I do not have to detail what that means in terms of lost jobs and general losses to the economy at a point in time when Nova Scotians and, indeed, all Canadians require jobs and an impetus to our economy in order to stimulate activity and produce employment.

● (1610)

So in that context, Mr. Speaker, we must review the background and necessity for resolving this dispute concerning ownership and development of offshore resources. It is recognized by individual members of the government, members on this side, and people in the oil and gas industry that the dispute is impeding the development of offshore resources.

How are we going to resolve that dispute, Mr. Speaker? We are certainly not going to do it by bringing into this House legislation which vests the Nova Scotia and Newfoundland offshore resources in the Government of Canada. That will only prolong the dispute and lead to litigation. I have asked the Prime Minister in this House: "What are you going to do to resolve the dispute?" His response has been that he would be willing to have the matter go before the courts. No one agrees, Mr. Speaker, that that is the way to resolve the dispute. However, there is in fact now before the courts, as I believe the parliamentary secretary pointed out, a case involving the question of ownership of offshore resources. So, Mr. Speaker, we cannot avoid the fact that if Parliament does not take steps to resolve the dispute, someone outside this House will do so before the courts.

Once again, Mr. Speaker, in relation to the definition of Canada lands and the fact they include the offshore areas of Nova Scotia, I appeal to the government to review its position, to reconsider Nova Scotia's claim and the economic plight of the people of Nova Scotia. I appeal to the government to formulate a sensible policy to deal with this dispute, one which will result in its resolution in a sensible and fair way to the people of Nova Scotia and the people of Canada as a whole, so that we can pursue our economic interests to their benefit.

Some hon. Members: Hear, hear!

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am pleased to have the opportunity this afternoon to join in this debate on Bill C-48 at report stage. I would say at the outset that my position as a member from Ontario is somewhat different from that of those from the extremes of our country and that my perspective, in terms of what this bill is doing and might do to the established relationships, in so far as natural resources are concerned, between the provinces and the government, is perhaps without some of the perceived vested interests which are apparent in members from either side of the country. That perspective comes from a position which has been gradually formed by watching the development of natural resources in this country, and what the federal government has done with those resources over a long period of time, particularly this Liberal government.

Before commenting on the motion, I would like to say that at a time when the country is faced with extreme problems in the economy, when we are in the middle of a mail strike which has put considerably more stress on major segments of our people, whether it is business or individuals, it seems passing strange to me that we are now using this time at the discretion of the government to deal with things which I think are important in the long term but really do nothing to resolve the economic distress we now have in Canada. I think that is an unfortunate circumstance, one which we are prepared to face, but we would really rather be doing what I think in the short term could benefit Canadians across the country.

Bill C-48, Mr. Speaker, does a number of things through the back door that deserve full attention head on, and which could have been dealt with in the years gone by in a way which would have taken away a lot of the difficulties which are apparent in the bill. We are dealing specifically with one of those areas, namely, the Canada lands. Looking at that as a separate issue, at any other time would deserve the full attention of the House in a separate bill. It comes to the core of things which go back as far as confederation, in fact one of the primary concerns of the BNA. It was an evolution of events from the time of the BNA which have put us in the spot we are in now. There is no question that in the British North America Act we have a definition of provincial control over natural resources. Section 109 states:

> All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in

which the same are situate or arise, subject to any trusts existing in respect thereof, and to any interest other than that of the province in the same.

That having been said, obviously the question of the resources under the sea was left out. This issue, as it developed through the progression of Canada as a nation, through the Treaty of Versailles, through the Statutes of Westminster and even up until now, has still been unresolved. It is a question faced by all countries when they look at their sovereignty, the control of their territorial waters and their international dealings.

I would like to go back one step to look at this amendment as it attempts to separate from the Canada lands the offshore areas of the provinces on the extremes of the country. The premise of the amendment to clause 2, presented now as motion No. 3, is based on the four criteria provided in the undertaking of the former Clark government and Mr. Peckford. Those four principles are as follows: Number one, that the province of Newfoundland should own the mineral resources of the continental margin in so far as Canada should own them; number two, that ownership and legislative jurisdiction would be consistent with and subject to the division of legislative competence as between Parliament and the provincial legislatures under the Constitution of Canada; number three, that the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on; number four, those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

That arrangement could have provided the premise of a rational ongoing situation appropriate not only to Newfoundland, but it would also have provided a potential basis for dealing with British Columbia and the other Atlantic provinces. It could also be seen in light of developments in British Columbia and in terms of things which have already happened since the entrance into confederation of Newfoundland. It has been mentioned by the hon. member for Halifax West (Mr. Crosby) that the Prime Minister (Mr. Trudeau) has suggested these things could be resolved in the Supreme Court. We go back to the British Columbia situation where mineral rights were given to that province in a 1968 decision of the Supreme Court.

There is an interesting and probably important parallel to be looked at in the situation with the United States. In 1974 they had a similar situation in a case called *the United States v. California*, which was resolved in favour of the United States, concerning control over mineral resources. I think it should clearly establish their resolve and the parallel that could be drawn in terms of how we might resolve some of our situations in Canada.

• (1620)

I would like to read briefly the comment of Mr. Robert B. Krueger concerning the management of federal petroleum resources in the United States. It very clearly defines the decision which was taken in 1953 that reversed the original court decision of 1947. He said that the situation is that the various coastal states own the mineral resources in the three-mile territorial sea surrounding the United States. This was directly as a result of the submerged lands act of 1953. One quesiton which will quickly come to mind concerns this three-league territorial sea. "Three-league" is one of the terms of reference in a number of comments; it would actually be nine miles. We must ask whether a specific mileage is in fact at stake. Indeed it is, because the 200-mile territorial limit is considerably different than that. That is really the argument.

If the Supreme Court of the United States made a decision in that regard, I am not clear as to how far other rights extend into the territorial waters. It would seem clear to me that the definition we require at the present time is an understanding and a rationalization of what limits there will be in terms of not only the main controls of the federal government with respect to the environment and other matters which relate to the federal government and sovereignty, but also in terms of a definition of the mileage and under what terms the agreement might take place.

There is major room for discussion, but I make the point that this agreement should take place not by the back door through Bill C-48, but through a rationalization, an understanding and an agreement which is sensible to the whole country.

The prime question in so far as Bill C-48 is concerned, and many of the items which antagonize and concern the provinces, is not the one respecting the legislative direction of the government. In itself that is one question which might be handled in one manner, but the overriding concern of all hon. members on this side of the House is the competence of the federal government as exercised by the Liberal party when dealing with issues that are important to all Canadians if we are to achieve the goals of self-sufficiency, of management of the country and the economy, and of all things we need to develop the potential of the country. This would be the primary concern. It is the one which is addressed by the reaction of the provinces to the mechanism of takeover which the federal government is providing under the terms of Bill C-48.

If we look at the examples of competence of the Liberal government, the one which hits us in the face very quickly is the situation in the Post Office. There have been six strikes in the last five years, and we are in the middle of one now. What kind of competence is that? What kind of competence is there in the situation respecting VIA Rail which is withdrawing services that are important to certain areas when in fact it is supposed to be providing them. What kind of competence is there in other areas such as AECL with $800 million in excess requirements this year? What kind of competence is there in the management of any number of government departments? I could repeatedly give examples of the incompetence as expressed by the kind of management not only in those areas, but in the area of natural resources which the federal government now wants to take over.

On top of all of this, there are examples of where ministerial discretion is requested and provided in Bill C-48. Not only is a

system being put in place now, but we are also asking that the minister, at any given point in time in any number of areas described in the bill, will be given an opportunity to exercise powers in a discretionary manner which are overwhelming in terms of the eventual outcome. It would make me insecure and very uncomfortable if we gave these controls to the federal government now.

An interesting comment appeared in a newspaper article two or three days ago. Although in normal circumstances I might not be the first person to quote Sylvia Ostry, I think her comments were in support of the argument I should like to make in terms of the ability of the federal government to do what is required. In part, the article reads:

"We are the most resource-rich country in the OECD," she said, perching excitedly on the edge of the sofa in her office.

But the real question is, why isn't our performance a hell of a lot better?

"Inflation in Canada isn't decelerating and there are disquieting signs of it creeping up. Given Canada's underlying growth potential, why shouldn't we be better than anyone else?"

It is obvious who has been in charge, who has been running things, and who has been taking us where we are going.

I should like to refer to the points which were raised by the Parliamentary secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren). While there might be some question as to the relevance, I suggest that in some ways the government has put its statements forward and that the parliamentary secretary speaks for the government, so my comments are relevant. He talked directly about self-sufficiency, which was one of the key phrases of a previous government to this Liberal government. It is one of the main points in terms of the energy future of Canada. Self-sufficiency under the terms of the National Energy Program and Bill C-48, as one of the many parts of the National Energy Program, is in severe difficulty. We had reasonable chances to reach self-sufficiency by 1990 under the different approaches which could have been taken. The single goal of self-sufficiency is severely threatened now, not only by Bill C-48 but by the general attitude of the government. In support of that point, I should like to quote from an article which arose from a Woods Gordon report. It reads as follows:

In 1990 assuming demand has not grown, and using the NEP's optimistic supply forecast (which does not provide for frontier production but includes oil sands production),—

This is very debatable now.

—Canada would experience a shortfall of 330,000 barrels per day. The NEP document states "it would be premature and unwise to count on the frontier to solve the oil supply problem." A CPA forecast (which does not include frontier production or new tar sands production) results in a shortfall of 740,000 barrels per day by 1990. Under current provisions of the NEP the CPA does not believe it will be possible to develop new frontier and tar sands production and does believe that the decline in conventional oil production will be more severe than previously forecast.

This comment was made by several groups which pointed out very well that we will simply not achieve the important goal of self-sufficiency.

Also the parliamentary secretary raised the issue of revenue. In looking at these offshore resources, there is no question that the government is looking at revenue which it says is required to maintain the services it is providing to Canadians. One of the subtle elements about all this is whether or not the government is receiving revenue or has mechanisms in place to achieve revenue through regulation, taxation systems and so on, without becoming involved in a confrontation with the provinces which causes difficulty in terms of Canadian unity and the other matters that are straining the different parts of the cohesion of the country.

As a late comment I should like to indicate how the price of a gallon of gasoline is shared at the present time in terms of revenue. In terms of dollars per barrel of gasoline, $18 goes to the federal government. Approximately $8 goes to the provincial governments, whether it be the government of Ontario through road taxes or the government of Alberta through royalties. Some $6 goes to the producer and $11 to the refiner. About $3 goes to the dealer. Thus, the lion's share still goes to the federal government in the ratio of about three times that which goes to any other part of the system.

● (1630)

Total increases in the cost of crude oil in 1981 alone could exceed $8 per barrel by next fall. Of this amount the producing provinces and the oil companies will share approximately $2 per barrel and the remaining $6 will go to the Liberal government. That might be justifiable if we could see that it was really going toward self-sufficiency, increased production and everything which we think is important in terms of our energy resources. The fact of the matter is we do not have anything else to show for it. What we have had so far is $8 billion having gone to Petro-Canada, which has given us approximately 3 per cent more Canadianization. Another $25 billion will have to be raised either through Petro-Canada or some other vehicle in order to bring us up to the so-called Canadianization level which the government wants. That is a massive amount of money. But what has been done to develop our resources? Precious little. This has a great deal to do with control but very little to do with the development of resources.

My final point, and the point on which I would like to end my speech, has to do with my perspective as an Ontario member. There is no explanation for the fact that we are not doing a hell of a lot better than we are, as Sylvia Ostry said. The only explanation is that the perspective we should have, if we are to develop not only our natural resources but all of our other talents in the industry, must be in terms of private enterprise. The perspective which governments should have must be one of co-operation and the understanding that it is the private sector which will develop these resources under the appropriate controls of governments, both federal and provincial. This must be done not through the confrontationist style which has been so apparent and predominant in all the dealings thus far but through the kind of thinking which will develop as a result of negotiation and settlement, which is necessary if we are to achieve our goals.

Some hon. Members: Hear, hear!

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Mr. Speaker, at this point in the debate I should like to comment on the amendment of our Progressive Conservative colleagues which is aimed at reducing the size of Canada lands by not including the 200-mile offshore limit. Everything considered, I must say that as a Canadian and a Quebecer I do not feel ashamed to think that the national government must play a leading role in the protection of Canada lands. It is that particular aspect which I would like to debate with my colleagues this afternoon. First of all, Mr. Speaker, allow me to recall the historical background of the question under study. We are examining a bill which has to do with the energy issue, petroleum and gas. The principle involved with respect to the extension of the territory to 200 miles offshore to cover such natural resources as petroleum and gas has given rise to fascinating events in Canada. Indeed it goes back several years and I consulted a publication by a famous author whose name is listed in the 1970 Canadian yearbook on international law. Mr. Jacques-Yvan Morin, currently a minister in the PQ government, wrote an interesting article on technical progress, pollution and the recent evolution of the law of the sea in Canada, particularly with respect to the Arctic. I therefore believe that he is a very neutral authority to comment on this topic. In this rather long article, 25 or 30 pages, which I have no intention of quoting at length, Mr. Speaker, I should like to refer to an excerpt from Mr. Jacques-Yvan Morin's article who wrote on page 158 of that publication that the extension of Canada's ownership of the offshore territory, or rather not the extension of the territory but the extension of certain rights from three to twelve miles—from twelve to 100 miles in the Canadian Arctic—was an extremely constructive measure.

On page 215, Mr. Morin mentions the legislation passed by the Canadian government and notes that everywhere else in Canada, the limit was 12 miles and that the new legislation would extend this to 100 miles offshore to protect the environment. Of course, this issue had arisen as a result of a tanker accident causing an oil spill on the Canadian coastal territory, and the limit was finally extended thanks to the dynamic action of the Canadian government. Indeed, in 1972, with Bills 201 and 202, the Liberal government of the time extended the limits of three miles, 12 miles and 100 miles unilaterally to 200 miles. However, this action was accompanied by international discussions to determine who owned the offshore resources of Canada.

As you know, Mr. Speaker, Canada is bordered by three oceans, the Arctic, the Atlantic and the Pacific, and by extending the territory of Canada beyond the 12-mile limit, Canada would be able to increase the potential of its natural resources by about 20 per cent. The knowledge that Canada will be able to develop these resources in the future has an interesting impact in terms of the gross national product. The international discussions to ratify the treaty implementing the 200-mile limit without the threat of international disputes are under way, and I am confident that every country with coastal territories rich in natural resources will certainly support this extremely desirable action, especially because when we speak about coastal territories, we are obviously speaking about resources, but also about the development of these resources.

By excluding the submarine areas located outside of a province, adjacent to the coast of Canada and extending throughout the natural extension of the land territory of Canada to the outer edge of the continental shelf or to a distance of 200 nautical miles from the baselines, Bill C-48 is extremely positive and will only reinforce the very dynamic action undertaken by Canada in this area. As you know, Mr. Speaker, in addition to the oil and gas resources of these areas, there are also other resources, such as our fisheries, which are a very important source of revenue for Canada. Minerals are also part of the resources which could be available to Canada. In the years to come, in the nineties and in the next century, when plankton and other marine resources may become marketable, this coastal zone will be an extraordinary asset for all Canadians. We have just started to develop these resources, and already the provinces are arguing to know to whom they belong. Ownership of the natural resources in these lands is still not recognized internationally, and the provinces, which can do nothing in international law in this regard, have already started to criticize and speak about sharing.

I feel that the offers made by the Prime Minister (Mr. Trudeau) to Newfoundland during the last election show his broad outlook on the matter of sharing the revenues from those resources. And I further submit that the matter of knowing who owns the resources is one thing and who is going to benefit from those resources is quite another. Mr. Speaker, as a Canadian and a Quebecer, I own in Quebec part of the offshore resources and I am ready to share them with my fellow-Canadians. However, I am amazed that my opposition colleagues, especially those from the western provinces, excluding British Columbia, oppose such a measure. Because barring any unforeseeable geographical disaster, I find it hard to visualize how Alberta, Saskatchewan, Manitoba and Ontario can start speculating on the resources outside the 200-mile limit, because those provinces have no coast.

● (1640)

[*English*]

In the year 2000, I believe that the resources we have offshore which are shared by many provinces, except the western provinces, of course, not including B.C., will probably be exploited on a larger scale than today, and more than petroleum and gas will be exploited in these regions. I just question the purpose of an hon. member from Alberta, Saskatchewan or Manitoba saying, only today, that we do not want to include this in the legislation when actually, in the year 2000, they will share the resources and the revenue of

these properties. I just question the motive and I think that it is probably in support of today's problems.

However, I feel that we can have a long-term policy. We should think of Canada on a long-term basis. When we think about sharing today and tomorrow and about the existence of this country, we must remember that Canada can extend its shores to the 200-mile limit. We should keep this provision in Bill C-48 and think about the future, not be shortsighted and just think about tomorrow.

[*Translation*]

Mr. Speaker, if reference is made to the known offshore resources, some information should be shared. Panarctic Oil, 45 per cent owned by the Canadian government, has been doing a lot of work, and in 1979 the Canadian government spent more than $600 million on the development of oil and natural gas. Certain provinces probably can spend that kind of money, but I would be very surprised if most provinces could invest such huge amounts of money to develop the offshore energy potential. That is why I firmly oppose the Progressive Conservative Party's amendment.

And based on the notes for a speech made by the Minister of Finance (Mr. MacEachen) at the *Financial Post* Offshore Canada Conference held in Halifax on June 23, 1981, I would like to repeat some basic facts emphasized by a minister coming from a coastal area. And I quote:

> The encouraging prospects found off the Atlantic coast could make a very significant contribution to this country's energy picture. A total of some 5 trillion cubic feet of gas and 1 billion barrels of oil have already been discovered off the Atlantic coast. According to federal geologists, that area could contain from 7.5 to 12.5 billion barrels of oil and between 70 and 125 trillion cubic feet of gas. That is nearly 20 per cent of all known and expected oil and gas resources in Canada, and nearly half the amount of oil and gas already discovered in the western provinces.

At this point, Mr. Speaker some 150 wells have been drilled off the Atlantic coast. In all, some $900 million have been spent since the beginning of drilling operations. But despite all those efforts, we still do not have one single producing oil well in that area. Research is being conducted and rigs are being set up and, hopefully, we will benefit from these resources in the not too distant future. According to the National Energy Program, we will spend yet another $200 million in 1981 and some $400 million in 1982. Such financial commitments will enable the Atlantic region to develop offshore Canada lands. However, if we look at what has happened in European countries, specifically in the North Sea, we realize that enormous investments must be made before this potential can be tapped.

That is why, Mr. Speaker, instead of taking a very narrow view, instead of fighting over the distribution of revenues even before starting to develop these natural resources which have not even been ruled Canadian property, since, as I just mentioned, the 200-mile zone has not yet been recognized in international law as Canadian land *per se,* and it will not be in the international perspective, international treaties, if ratified, will decree that natural resources can be the property of the coastal territory but that the land as such, the submarine lands, will not belong definitively to the coast entity.

It seems to me that we are splitting hairs. At this time, in the light of the extremely positive steps taken by the Canadian government in the last 20 years for the benefit of all Canadians in extending its territory, and especially with regard to the development of offshore resources, in the light of the dynamic role played by Canada at the 1975 Environment Conference where Canada actually started to get other countries to ratify the extension of coastal areas, we should rejoice instead of cry over our fate at the thought that offshore resources in the Atlantic will belong to strangers when those strangers are in fact other Canadians.

I think we should be able to discuss sharing those resources and their benefits in harmony. We should approach the subject in a positive frame of mind. I am sure the Minister of Energy, Mines and Resources (Mr. Lalonde) spared no effort in trying to find solutions acceptable to all Canadians. As a Quebecer, Mr. Speaker, I plead with this assembly to show some generosity in the sharing of those resources which all humanity can envy us. Mr. Speaker, I know of no other country with as small a population as ours and as great an energy potential that can at times be so narrow-minded about it. Our future depends on it, Mr. Speaker. I feel the notion of "Canada lands" must not be a narrow one but a generous one; and that is why I urge my hon. colleagues to vote against the amendment of the Progressive Conservative Party.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, if I may begin my remarks by making a comment on those which we have just heard from the hon. member for Mercier (Mrs. Hervieux-Payette), there is no one in this House who is opposed to sharing the resources of Canada with Canadians. No one!

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): I am not going to take anything from anyone who says, "As a Quebecer, I am prepared to share what I have with Canadians." Everyone in this House is prepared to share. What is preventing the sharing of the resources of this country is the conflict of jurisdiction, the conflict of ownership and the conflict of property.

● (1650)

At the present time we are a retarded nation because the federal government refuses to acknowledge the rules laid down in our constitutional documents that accorded the resources to the provinces in 1930. Now we are talking about sharing as though there is a niggardly attitude; there is no niggardly attitude in this country about sharing.

An hon. Member: There never has been.

Mr. Munro (Esquimalt-Saanich): And there never has been. You will recall, Mr. Speaker, that yesterday the debate on the

amendment was punctuated by a number of points of order or appeals to relevancy from the other side whenever a speaker on this side raised the question of revenue or money in the general discussion on the amendment proposed in motion No. 3.

It is my contention and the contention of all members on this side of the House, I think, that the whole purpose of stretching the definition of Canada lands in legislation beyond that which is normally accepted, namely, north of 60, is to lay claim not just to land but to potential revenue-producing land.

I suggest that we might call Bill C-48 and particularly the section on definitions in a Clause 2 a matter of maritime gerrymandering. The government is trying to secure, by legislation, what it is unable to secure by negotiation. It is as simple as that.

Revenue and the Canada lands concept are intimately linked in this debate, Mr. Speaker. We cannot avoid that. The Liberals are talking Canada lands and they want us to stay with Canada lands, but what they mean is revenue from Canada lands. We are merely exposing this double talk. If there is any doubt, I suggest that hon. members look at Clause 9 and Clause 40 of the bill for the definition of Canada lands.

Clause 9 defines the method of licensing and exploration agreements, while Clause 40 deals with royalties from Canada lands.

It is all very well to say that we have to stay with the lands deal, but I insist that we must think in terms of the revenue that those lands are likely to produce. There is no question in my mind nor in the minds of a good many Canadians that the government in short of revenue and wants more. The argument for claiming the legislative right to more, through this bill, is that it is bankrupt. It is out of money. It is insolvent.

An hon. Member: Why?

Mr. Munro (Esquimalt-Saanich): I will tell the hon. member why. It is because of its disposition to squander the resources that are available to it. Its cash flow is non-existent. Indeed, it is flowing backwards. it is not only taxing for revenue but it has to borrow from taxpayers to increase its revenue and to pay the interest on the indebtedness.

In this connection I suggest that all hon. members and everyone who is listening should refer to page 11176 of *Hansard* for July 3, where there is a table showing the standing of the national debt from the time of confederation until today. I note the date, July 3, and I note that this is a strange way to commemorate members of the House coming together after the Dominion Day break.

In 1867, the national debt was $76 million net; in 1941, in the middle of a war, the net public debt was $4 billion; in 1968, the year the Prime Minister (Mr. Trudeau) and his governing team took office, the debt was $16.7 billion, or four times greater than it was in the middle of the war. Today the debt has increased four and a half times to $82.7 billion net.

We can see why the government is out in the maritimes, gerrymandering. It is on the grab. We should not be surprised that it is looking for new sources of revenue, and hence is seeking to broaden the definition of Canada lands and the royalties that can be obtained from the resources that those lands will provide.

If the government wants to show its good will, I suggest that it withdraw the notice of appeal it has lodged against an opinion of the B.C. Supreme Court which assigned to the provinces, by a decision of three to two, the waters between the mainland of British Columbia and the large offshore island and the chain of the Charlottes. The B.C. Supreme Court ruled that those waters belonged to the province and immediately the federal government lodged an appeal to contest the ruling.

I should like to go into this carefully because I think it is very important. It has been referred to by other hon. members so I will confine my remarks almost exclusively to one aspect of the matter.

For the definition of Canada lands I would refer hon. members to clause 2 of the bill, which reads, in part, as follows:

> "Canada lands" means lands that belong to Her Majesty in right of Canada, or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources and that are situated in
>
> . . .
>
> (b) those submarine areas, not within a province,—

"Not within a province" is what we seek to have removed, Mr. Speaker. If the government wants to demonstrate its good intentions, it should look at this clause in light of the B.C. Supreme Court ruling and its intention to appeal that judgment.

The B.C. government sought an opinion on a question regarding its property rights on land covered by the waters of the Strait of Juan de Fuca, the Strait of Georgia, the Johnstone Strait and the Queen Charlotte Strait. The court ruled three in favour and two against the lands being the property of the Queen in right of the province of British Columbia.

This question of discontinuity as between the mainland and the islands must underlie the decision of the federal government to appeal that ruling. No sooner had this particular ruling come down than the federal government decided to appeal. I think on the basis of it, it is beyond imagination's wildest hallucinations to suggest that the land attaching offshore land to the mainland of a province is not part of a province. Yet two justices out of five ruled that way. The three ruled that those submarine lands did belong to the province of British Columbia.

● (1700)

What disturbs me and many British Columbians is that the central Liberal government has served notice of intention to appeal that ruling to a higher court, presumably the Supreme Court of Canada, where, incidentally, one of the dissenting judges now sits.

What the dissenting judges are arguing and what the federal government is now suggesting by maintaining its intention to appeal this ruling, which is not yet implemented, is that there

is such a phenomenon as a discontinuous province; that a province can be interrupted territorially or maritimely, if you like, in its seaward expansion, and that the interrupted portion could become a part of the central government. I suggest this is really not a very satisfactory way to run a federation. I would call it the doctrine of provincial discontinuity.

I suggest that if it were applied in its full intent it would probably apply in the mouth of the Gulf of St. Lawrence and to the waters of the Gulf of St. Lawrence, which would be interrupted by federal jurisdiction between the province of Quebec and Anticosti Island, and the federal government would claim the river bottom there.

I consider that doctrine of provincial discontinuity as one that is hardly tenable in any court of law. The only example I can think of at the moment, and that broke up, was the example of East and West Pakistan which were interrupted by another state, India. But to have east and west British Columbia interrupted by a section of territory or maritime area assigned to the central government is verging on the ludicrous, the ridiculous, if not the improbable. It is also verging on providing a very good cause for the breakaway of one province from Canada. I do not know whether they have ever thought of that. It would at least add another argument, if indeed a further argument is necessary, to persuade British Columbians that Ottawa has no sensitivity to their problems, and that B.C. and other western provinces might do better without Ottawa.

Therefore, as a mark of honourable intention, I suggest this to the parliamentary secretary, since he is the ranking guy here, I think, there being no ministers in the House. The central government ought to withdraw its notice of appeal against the ruling of the B.C. court. This would go a long way, I suggest, toward re-establishing an atmosphere of confidence and trust between the two levels of government, an atmosphere that has been sadly fogged for the last ten years or more.

It would seem that the doctrine of confrontation is that which governs the relations between this government and the provinces—a deplorable situation and I regret that it should be that way.

One might almost say that not just the waters at the mouth of the St. Lawrence, which is closer to the federal government, and therefore they can understand that—I do not think they understand what the waters between the islands and the mainland of British Columbia mean—might be declared in the same way the government is thinking of declaring as federal waters, but presumably the subsoil over which those waters flow would then become national territory. At least the government is testing that ruling of the B.C. Supreme Court. I suspect that would not go down very well with the province of Quebec. I suspect, in fact, that because the province of Quebec would be a party *en cause,* the claim would not even be made. But in British Columbia where the government has no member of the cabinet, and whose problems the government does not even understand, it is prepared to leave it stand as a threat to the province.

An hon. Member: Votes they do not need.

Mr. Munro (Esquimalt-Saanich): Votes they don't need and votes they won't get in that area.

Therefore I suggest that first of all, instead of leaving standing the intention to appeal the ruling of the B.C. Supreme Court, the federal government could do itself a great deal of credit if it were to withdraw entirely that particular claim to a review of the records.

I had that particular point to make. It is a point worth making. I hope it is not only made but that it has made a dent on the other side. I should like to see in the very near future a withdrawal of the intention of the federal government to appeal the decision of the Court of Appeal of British Columbia relating to the waters between the mainland and the baseline running along the west coast of Vancouver Island, up through the Queen Charlottes and out to the line A-B.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I first want to indicate my appreciation for the wide latitude you have permitted in this debate. In looking at the various amendments to this bill one recognizes that perhaps motion No. 3 is the only motion on which we could have a wide ranging debate on the entire bill, the entire energy policy and, indeed, a number of constitutional matters. I might say that having listened for several days to this debate the debate has ranged widely. I am sure you will allow me the same latitude in the course of the 20 minutes I have, in which I hope to have my say in this House on this bill.

The first thing I want to say about the bill is that it is very complicated and very crucial to Canada. We have had hearings on this bill in the Standing Committee on National Resources and Public Works for approximately six months, with approximately 73 meetings and 130 witnesses. I think it is appropriate that somebody put on record some of the groups which came before this committee because it does give an excellent indication of the importance of this bill. They included most of the major oil companies and their respective organizations, such as CPA and IPAC, They appeared before the committee and made submissions. Several chartered banks appeared before the committee and made submissions, as did the Canadian Bankers' Association. The Canadian Bar Association and the Eastern Fishermen's Federation appeared. The Canadian Ocean Industries Association, the Canadian Shipbuilding Association, the Canadian Labour Congress and the United Fishermen and Allied Workers Union also appeared and made presentations.

• (1710)

A number of native organizations also appeared, including the Native Council of Canada, representatives of the Dene nation, the Council of Yukon Indians, the Metis Association of the Northwest Territories and the Inuit Tapirisat of Canada.

The government of the Northwest Territories, the government of the Yukon, the chamber of mines of the Northwest Territories and the chamber of mines of the Yukon appeared and made representations. Indeed, one of the most pleasant presentations was by the mayor of Inuvik.

The Vancouver Board of Trade appeared and made a presentation, and several environmental organizations including the West Coast Environmental Law Association and the Canadian Arctic Resources Committee appeared. Other organizations came before the committee to make their presentations on this very important piece of legislation. Some of us had the opportunity and, indeed, the good fortune to listen to almost all of these presentations, and those we did not hear we read. I count myself in that group of few people who were fortunate enough to have this opportunity.

I mention all these organizations because today I want to take this opportunity to thank these organizations and people who came before the committee to make their cases. I hope everyone in the House wishes to thank them and to congratulate them for taking the time to come and put forward their cases. They participated in the democratic process eminently well with respect to this bill.

All these organizations were responsible for a substantial number of changes to this bill. Indeed, the initial draft of this bill left much to be desired, and by the time these organizations were finished with the bill, the government felt it necessary to bring forward many amendments and changes to accord with their wishes. In many cases those changes weave or interweave with some of the suggestions of the opposition. As I indicated, the influences were substantial, and I suggest they will continue to be so because literally every one of these groups and organizations will watch the passage and implementation of this bill very keenly, with great anticipation in some instances and with much regret in others.

I must say that I was disappointed that none of the provinces took time out to appear and make presentations to the committee on this very important bill which affects so many provinces. As I indicated before, this bill will have a profound effect on governments in Canada and on the opening up of what is two-thirds of this nation, the northern part.

If there is anything I would wish to say, I would publicly commend the chairman of the committee, who I think handled himself very well and gave every advantage to the groups which appeared so they could put their cases forward. I refer to the hon. member for Châteauguay (Mr. Watson).

There was a number of very important concerns, and they might be identified in about ten or eleven categories. The first was the definition of Canada lands. This amendment would effectively reduce Canada lands by approximately 50 per cent and would exclude from this bill Hibernia, the Beaufort Sea and most of the PanArctic gas discoveries in the north.

The second thing about which we were really concerned was ministerial discretion. This bill allows an enormous amount of ministerial discretion. We wish it had given the minister additional discretion in some other areas and removed it in many of the areas in which the minister is allowed wide ranging discretion.

Third, we were vitally concerned about the retroactive expropriation feature which was initially in this bill. Fortunately, because of the massive revulsion of the industry and some of the groups involved, the government felt it appropriate to back off the policy position it had imposed in the bill. The very unfortunate and almost despicable policy position regarding retroactive expropriation of rights and properties should under no circumstances be supported by any party in this House. Due compensation and access to due process of law should always be a right of Canadians in this democratic country.

Some hon. Members: Hear, hear!

Mr. Yurko: Much concern was expressed about the Crown-carried interest and the extent of the proposed nationalization of the oil industry on Canada lands. Some excellent arguments were made in this regard. There was great concern expressed about native peoples and, indeed, about the use of Canadian manpower and Canadian materials. There was a great deal of concern expressed about the effect of energy development and growth in the north on territorial governments and the municipal governments of some of the smaller settlements in the north. Some of us felt very strongly that some of the royalties accumulating from oil and gas production in this vast area should be placed in a fund for the future use of the provinces and for the future use of some of the communities which will have to develop under adverse conditions—and rather explosively because of this bill.

Environmental matters were a great concern, and we do not think the bill deals adequately with the concerns which will evolve in this area. There were many punitive measures which had to be adjusted, but one of the most important single aspects of this bill was the nature of its construction in terms of limiting the opportunities of small Canadian companies and their ability to participate in the development of oil and gas in this vast area of Canada, which is literally two-thirds of the country. This was one of my most basic concerns. Here was a bill to Canadianize an industry, and the restrictions, monetary and otherwise, on small Canadian companies participating were overwhelming in some areas.

Our country is vastly endowed with hydrocarbon resources, including coal, oil, gas, oil sands and heavy oils, as no other country in the world, but what we are suffering from is the lack of a proper management program and, particularly over the last decade, political mismanagement of the development of our hydrocarbon resources.

Bill C-48, in tandem with the National Energy Program, is an attempt to bring forward a new energy supply, distribution and use regime. First let me state unequivocally that the regime, although having some good aspects, is being forced upon a nation over too short a time-frame. That is one of the reasons there is a major revulsion in the United States against the regime. It is too fierce and too fast to accomplish objectives which may be appropriate over a longer time-frame.

What are the objectives? The objectives have been well stated on a number of occasions. The first objective is at least 50 per cent Canadian ownership of oil and gas production by 1990 through the process of Canadianization and nationalization. The second objective is Canadian control of a significant

number of large oil and gas firms. We know the manner in which the government is proceeding in this regard.

● (1720)

Third is an increase in the share of the oil and gas sector owned by the Government of Canada. I might put that in a different way: I might say a significant transfer of control over the oil and gas industry from the producing provinces, particularly Alberta, Saskatchewan and British Columbia, to federal control. The question is: How is it being done? Well, in three ways. First of all, by transferring the emphasis to Canada lands and away from provincial lands by taxation, rent and incentives. Secondly, by massively increasing the federal take from oil and gas produced in provincial land. We have seen only a beginning in that direction. Third, by the imposition of a federal oil and gas pricing regime which limits provincial government and company revenues from oil and gas produced from provincial lands.

From all the questioning we have done, we anticipate a two-price policy, a world price for oil produced in Canada lands. Petro-Canada has stated that unequivocally in committee. Under questioning the minister gave us every indication that oil from federal lands would be priced at world levels. Contrast this with a pricing structure for oil from provincial lands which is now approximately 50 per cent of the world price. So what we are attempting here is a transfer of control over the industry, putting emphasis on development of federal lands, not only through the tax and grant structure but through a price structure, and thereby depressing development in the provinces. I also want to touch on the Cold Lake project in relation to the policies associated with Bill C-48 and the NEP.

There is no doubt that there are very good arguments for moving in this direction if you have certain policies in mind and a certain vision of the nation. Canada's resources are what make this nation rich and make every one of us unique. We have in this nation elbow room, wealth, ability, capability and possibilities down into the future that no other nation in the world has. Heaven help us if we start to split it up because we will all suffer drastically.

I want to say, Mr. Speaker, that I am concerned about this amendment in regard to the vast seas of the northern part of Canada. It is my view and my conclusion that we must exercise sovereignty over that part of our nation in every possible way and at every instant. We must be there constantly because that vast area of Canada is looked upon with great envy by some of the major powers of the world. So if you ask me about my view with regard to that vast northern area, we must declare repeatedly that it is Canadian, and we must be there to exploit, develop, control and manage its resources.

Some hon. Members: Hear, hear!

Mr. Yurko: Now, I want to touch briefly on the rights of the Atlantic provinces with regard to the resources extending for 200 miles out on the continental shelf. I am of the opinion, Mr. Speaker, that laws and court cases will not settle the question. The provinces do not want to go to court or they would have been there a long time ago. It is negotiations which will settle this problem. My fear and concern is in connection with the negotiating process established during the last year by the government, which I find badly wanting.

I am terribly sorry that I will not have more time to dwell on this matter. What I want to say above all else is that any federal cabinet dealing constantly with the provinces must have somebody to take strongly the provincial point of view. The rest of the cabinet ministers are going to be building empires, taking the federal perspective, so there must be someone in cabinet who understands the provincial perspective and who will try and sell cabinet members and the caucus on the provincial perspective. There must be a minister of federal-provincial relations whose sole reason for being is to understand provincial aspirations, needs and desires, one who constantly projects them into cabinet over and over again. I for one am terribly disappointed that this government does not have a minister of federal-provincial relations who will totally carry the ball for the provinces on the Atlantic coast and the west coast on resources, cost-sharing programs and so forth. I suggest this government had better seriously rethink the need for appointing such a minister.

The then minister of intergovernmental affairs in 1978, the now Minister of Energy, Mines and Resources (Mr. Lalonde)—and he was a fairly effective minister of intergovernmental affairs in those days—gave a remarkable speech at the first ministers' conference where he said: "A century ago Sir John A. simply announced what his national policy was going to be. No discussions with provincial governments, no series of visits to provincial capitals, and no federal-provincial conferences preceded his announcements, and no one seems to have expected that they would. By contrast, any policies and processes we decide upon in this area today will emerge as a result of the process of federal and provincial consultation begun in the months preceding this meeting, and as a result of the continuing process of consultation which I hope the first ministers will agree to today."

His dissertation at that meeting was entitled "Consultative Mechanisms". That is what we need more of. That is what we need to bring unity to this nation, to bring the outer regions into the centre, and we need it quite soon.

Miss Coline Campbell (South West Nova): Mr. Speaker, I, too, would like to enter the debate on this motion during report stage on Bill C-48, a bill which we all know is to regulate oil and gas interests in the Canada lands, and to amend the Oil and Gas Production and Conservation Act.

I represent, as most members know, what could be termed an energy disadvantaged region of the country. Regardless of what happens in the future in energy exploration off the east coast, the most South West Nova can probably expect, as indeed most of the region, are some spin-off benefits from development taking place in a few growth centres. Mind you, I will be working hard for South West Nova to obtain these spin-offs.

• (1730)

Much of the debate on this motion has been concerned with jurisdiction and with what should constitute the Canada lands to which the act will apply. This is not surprising in view of the amount of political mileage opponents of the program are receiving from the jurisdictional question. In my view, the jurisdictional controversy is a red herring which may obscure the fact that the greater issue is the development of offshore resources.

The question of what is or what is not Canada lands is sidestepping the real issue. The real issue is this: Do we want control over our energy supply, distribution and pricing, and decisions about development of new sources—in effect our entire energy future—to reside with those who have a vested interest in meeting the needs of Canadians or with the vagaries of an increasingly anarchic free market? Those who insist upon drawing fine lines over jurisdiction of frontier areas are either playing fast and loose with our collective future for short-term political gain, or attempting to sidestep the crucial question of whether control of Canada's future energy supplies will reside in the hands of Canadians or of foreign multinationals.

It is easy to make references to "just birthright", as I believe one Nova Scotia cabinet minister has done, when referring to ownership of offshore resources. It is not so easy to explain how the astounding costs of developing those resources will be met. It is not hard to see that without federal involvement in the development process provincial governments, assuming they had such control, would be forced to turn to foreign capital, which naturally entails foreign control.

For an illustration of this we have only to look at the Nova Scotia government's overtures to American business for capital to finance a tidal power development on the Bay of Fundy.

Mr. Siddon: Where are we borrowing from?

Miss Campbell: The hon. member wants to know from where we are borrowing. It is a prime example in Nova Scotia. While Premier Buchanan could have proceeded through the Maritime Energy Corporation and federal funding, which would have ensured that the development would remain under Canadian control and benefit Canadians as well as Nova Scotians, he elected to abandon the Maritime Energy Corporation and invited American interests to participate in the funding of the project.

This is fine, except that if it is ever built with United States funds instead of Canadian funds most of the power generated by the plant will be exported to the United States. With offshore energy development one can only expect the level of foreign control to be even greater. The federal policy is to ensure that the energy resources of Canada are developed for Canadians. There has never been any suggestion that the areas where these resources are located are to be deprived of any of the benefits of their development.

"Canada lands" clearly defines for those who are investing millions of dollars in offshore resource development where the federal regulations in Bill C-48 will apply. It is a clear statement of what the responsibility of the federal government to Canadians will be in the development of oil and gas on these lands. The jurisdictional problem is another issue. If the provinces feel they have a right to offshore resources, let them go to the courts; but in the meantime the development of offshore oil and gas should not be hindered by uncertainty. Canadians and east coast Canadians need a strong National Energy Program if we are to continue our growth as a country.

I might add that there is strong support for the federal government having jurisdiction over the offshore. I will not become involved in a debate which should take place before the courts, but even Sable Island about which we have heard a lot during the debate on this motion is under Section 91 of the British North America Act a federal responsibility. We could look at federal states such as Australia and the United States. Who controls the offshore? Both of the countries I have just mentioned do, not the states next to the offshore.

The Supreme Court of Canada ruled in the British Columbia reference case on offshore that the territorial seabed was not within the boundaries of British Columbia. International law recognized the rights of coastal states. The Geneva convention on the continental shelf granted to coastal states sovereign rights to explore the continental shelf and to exploit its a natural resources. Canada has claimed rights to the 200-mile limit and they have been recognized. The ongoing United Nations Law of the Sea Conference reached a consensus on the coastal state's exclusive economic zone of 200 miles.

I believe we must rely on ourselves, on Canadians, on Nova Scotians, if we want control over this vital part of our present and future. Only by retaining control of our resources within our own country can we ensure that Canadians, both business people and ordinary citizens, are the first to benefit from resource development or, indeed, even that such development is carried on in appropriate ways to meet Canadian needs and aspirations.

If Newfoundland and Nova Scotia are right, if their claims to offshore resources are found to be legitimate, what then? Should the rest of Canada be expected to foot massive bills for exploration if that exploration may ultimately only benefit one or two provinces? Could those provinces develop their resources on their own, or would they be forced to resort to opening the door to exploitation by big foreign interests? Who would ultimately benefit from such development? It would not be Nova Scotians.

I wonder if anyone in the Nova Scotia government has taken the trouble to ask the people of that province how they feel about the question of offshore jurisdiction. Do the people of the Atlantic provinces really support the idea of provincial control of the offshore? I would note in that regard that more Liberals were elected in the 1980 election than in the previous one, and certainly the then prime minister, the Right Hon. Leader of the Opposition (Mr. Clark), was giving away the offshore to try to win votes. Our insistence upon federal jurisdiction over the offshore is well-established in precedents and in international law.

I do not think that by claiming jurisdiction anyone in the region seriously believes that Ottawa is out to rob them of their birthright. I consider it imperative that the people of Canada, through the federal government, have some input in future energy resource development decisions. Only in this way can we be assured that those decisions will be made with some regard for the legitimate needs of the people.

In these increasingly energy-short days when we are forced to develop more expensive energy sources, I believe it is only through the participation of federal agencies such as Petro-Canada that energy alternatives will be explored at all. The enormously expensive tar sands projects, upon which we will some day depend for crude oil supplies, oil and gas exploration off the east coast, and even Premier Buchanan's prize Annapolis Valley power demonstration project, were developed with the aid of federal money and without that federal money would in all likelihood not have come about when they did.

• (1740)

What is the alternative if we defeat this motion? Canada lands is the alternative. What do the provinces have? They must enter into arrangements with the federal government, and what is wrong with that?

Let us look at what the arrangements have been in the past. In February, 1977 Nova Scotia, New Brunswick and Prince Edward Island agreed to set aside their differences. They signed a memorandum of agreement for joint administration which would provide for a general revenue sharing arrangement of 75 per cent for the provinces and 25 per cent for the federal government. It was this memorandum of agreement which was later repudiated through changes in governments. As late as September 19, 1980, during the constitutional conference, the federal government offered an administrative agreement to the maritime provinces which would allow the 100 per cent of the revenues from the sales of fuel, natural gas and other minerals until those provinces reached a have position.

We should all take one minute to reconsider what Canada means. It has always meant the sharing of the wealth of Canada between the haves and the have-nots. Why would all of the Atlantic provinces not wish to share if they ever reach a point where they can? It looks as if that will be some time soon, with all the oil and gas which exists there. Why should they not wish to share their bounty with the rest of Canadians? The energies of the provinces, in my view, should be directed to arriving at arrangements with the federal government which truly benefit their areas. When they are negotiating these arrangements they would do well to put aside some of their political considerations and think about the people of all those provinces.

In conclusion, I do not believe that business alone, driven solely by the profit motive, can provide the assurance we need to approach the future with confidence. The National Energy Program has been criticized sharply by big business interests. I suggest those voices are speaking out of self-interest. We might do well to accord them less than total credibility.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in the few remaining minutes this evening I too wish to touch upon the question of jurisdiction. It surprises me that the hon. member for South West Nova (Miss Campbell) would repeat speeches written by the present Minister of Labour (Mr. Regan), the former Premier of Nova Scotia, written some ten or 15 years ago.

Miss Campbell: I rise on a point of order, Mr. Speaker. I would like to inform the House that I do my own research on my speeches. Maybe I do not have the opportunity to speak as often as the hon. member for Halifax-Dartmouth East (Mr. Forrestall), but I am sure that when he finishes his speech we will have to judge whose content is best.

Mr. Forrestall: The hon. lady might do herself and our province some justice if she would do a little original research and stop reading old speeches.

Our claim is simple. We want what was ours before confederation, which has been ours by recognition and which this government is now trying to take away from us. There is no political argument which can be put forward to controvert the position of Nova Scotia and Newfoundland. Not only is there no political argument which can be put forward but there is no legal argument either.

The Supreme Court of the province of British Columbia made it very clear in its decision that, the facts in that case were based on historical evidence which may be not only different but which, in fact, were recognized by the court as being significantly different as between the west coast and the east coast. There is no question about the historical facts or the legal facts. The only question is whether or not there is a will in this Parliament to extend to the provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland the same entitlements which were given in 1912, for example, to the great provinces of Quebec, Ontario and Manitoba.

At that time, by the stroke of a pen and by the will of Parliament, without constitutional amendment, some 600,000 square miles—20 or 30 times the size of the province of Nova Scotia—was given away. I was about to suggest that it was an oversight; but the question did come up at the time as to whether or not there would be compensatory arrangements with other smaller, original parts of confederation. There was no great pressure in those days to redress that inequity. There was no great pressure from Atlantic Canada. But because there was not, you cannot today interpret that to mean that the right does not continue to exist—it does. It is a historical right. There can be no real serious question about the legality of it.

It has been suggested that the issue should be taken to the courts. The Premier of Nova Scotia once removed tried to use those arguments. I wish hon. members could have been in the legislature of the province of Nova Scotia when Senator Isaac Smith from the other place, in another capacity, dealt with the spurious notes which were coming down from Ottawa with respect to jurisdiction.

Everyone knows we will share. We are not concerned about the money; we are concerned about the propriety of ownership

and the right of entitlement. There has never been the question raised on this side of the House about the need for comprehensive, tight controls—none whatsoever. The province of Nova Scotia will give up to a central, singular authority environmental concerns, licensing concerns and all of the regimes which are important to develop the energy and resources which are there. The province will give those up for the sake of orderly development.

But you must always remember, Mr. Speaker, that, in fact, control is ownership. The Premier of the province of Newfoundland must have the right, since he is the one first associated, to influence. That right is impeded through ownership and the rate at which the resources off that coast are developed. He is the one who must have the right. He is the one responsible first to his people and for his people for the orderly development of the potential of the east coast. The same is true in the province of New Brunswick and it is certainly true in the province of Nova Scotia. About that there can be little historical or political doubt.

What we are asking for those people who have faith in Canada and Canadians—something which we see very seldom from members opposite—is that that simple request be recognized. Control must be centralized but ownership must not be in question. What this bill does by the stroke of a pen is take away from Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland lands and resources which, under the British North America Act, they are entitled to. They are entitled to those lands in law. They are entitled to them by history. In fact, they are entitled to them politically.

● (1750)

The spuriousness of the argument put forward, and the fact that the hon. member for South West Nova would not recognize the simple difference between the words "control" and "ownership" rather shocks me. After all, she is a trained lawyer. She should understand that control can pass from time to time wilfully, and ownership can, as well; but ownership determines control.

If we give up ownership now we will have lost these lands and their potential resources forever. It was the eastern provinces which financed the development of the central part of this country. It was our fish, our timber and our offshore trading that set up the industrial heartland of this country. We did that without complaint for 150 years. Now the government wants to take away from us a reward, a due recognition? If what it wants to do is control it for orderly development, so that we can get at the resources and satisfy the investment, so we can control environmental concerns, by all means, let us have some common authority to deal with these questions. However, that does not, should not and must never compromise the question of ownership, and ownership is what we are talking about. Call it jurisdiction, if one wants. One may call it control if one wants. But is is simply ownership.

We got nothing at all in 1812. Our money was pouring into central Canada to develop the rich resources in the areas which were annexed by agreement. It was our money. Look at James Bay. Are we going to nationalize that? Is that going to become a Canada land? Not on your life!

Does Your Honour know what we have now? This is just one example. The gas and oil from the east coast will more than supply our needs beyond our lifetimes and our grandchildren's lifetimes. The development of it and the control that is wanted by this government is to force the development of a petrochemical industrial base in this country to locate where perhaps natural forces would not place it. We are going to remove from the source of gas and oil, a thousand miles inland, a petrochemical base. We in Atlantic Canada will be watchers of pipeline. Well, I say to the devil with you! The government is not going to get away with it!

Some hon. Members: Hear, hear!

Mr. Forrestall: The government will not build a unified country. That is its intention. The government does not care about the cost. It allows $500 million or $600 million to be invested in the development of a petrochemical industry in eastern Canada, but it does so in such a way that not one nickle will accrue to the benefit of Newfoundland or Nova Scotia, not to mention New Brunswick and Prince Edward Island. We are objecting to this. This is what control is about: recognition of our ownership. Then we would negotiate the best place for the development of that petrochemical industry. However, if we do not have ownership, if ownership is vested in Ottawa, although I trust Canada, I do not trust the government.

Some hon. Members: Hear, hear!

Mr. Forrestall: We will get it in the neck, and we will be watchers of pipeline. We will not be allowed to develop a resource base which will enable us to lift ourselves out of the economic morass and difficulties in which we have been. We all recognize that as Atlantic Canadians. Please recognize us as Canadians from other parts of the country.

An hon. Member: A massive money grab!

Mr. Forrestall: It is a money grab. It is a resource grab. More than that, it is a serious deprivation of a historical right and a legal right. It is a political matter about which the people of Atlantic Canada have long believed there can be no question.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I too am one of those who have sat through numerous meetings on the committee which debated this particular bill, and listened to over 100 different delegations, all of which had very serious concerns about many different aspects of this bill.

One of the main reasons I am pleased to be able to speak about the broad concept of Bill C-48 in this initial stage is that the bill proceeded through committee not in a very conventional way. We had a bill which contained roughly 86 or so clauses before a committee. The government introduced 115 amendments to its own bill. What we were really trying to do in that energy committee on Bill C-48 was not to debate the bill, to

improve it and to test it against its implementation out in the country; rather, what we were doing in committee was drafting a new bill. There were 86 clauses and 115 amendments by the government alone!

We had some amendments to the bill ourselves, and so did the members from the NDP. As I said, the reason I am pleased to be able to talk about this bill is that not one single amendment proposed by Her Majesty's Loyal Opposition or of the New Democratic Party was accepted by the members of the governing party in the committee. In fact, the parliamentary secretary who steered the bill through the House admitted to me—and that is when I walked out, toward the end of the deliberations—that the government had no intention of accepting any of the many amendments that we had made and that the other party had made.

So much for democracy! So much for the orderly process of what was once a proud institution on which Canadians could rely to test a matter which the government would lay before it against the will of the people. So here we are debating a bill with 86 clauses, which changes in a very fundamental way the very nature of our socioeconomic behaviour in this country, to which the government has introduced 115 amendments and stated publicly that it is in no mood or is in no way prepared to accept any amendments from the opposition.

I said to my friends across the aisle at that point, as I walked out, that I had a lot of other things to do. I knew what their amendments were. I knew that they had a bad bill. They knew it themselves or else they would not have brought in all these amendments. I do not know who their draftsmen were. Surely there must be people out there with the competence and capacity to state in legal language the government's intentions in this bill.

I want to speak a little about the government's intentions, but I realize it is six o'clock. Therefore, I would like to call it six o'clock and take my opportunity to do that tomorrow.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: I wonder if the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) knows what the order of business will be tomorrow.

Mr. Collenette: Mr. Speaker, I thought that we had made that plain during the last couple of days. We plan to proceed with the report stage of Bill C-48.

Mr. Knowles: Times do change, as the hon. member knows.

The Acting Speaker (Mr. Blaker): It being six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, July 16, 1981

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE MONARCHY

CONGRATULATIONS ON FORTHCOMING MARRIAGE OF THE PRINCE OF WALES—MOTION UNDER S.O. 43

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I rise on a matter of urgent and pressing importance under the provisions of Standing Order 43. Whereas Canada and Canadians rejoice over the royal wedding of the Prince of Wales and Lady Diana Spencer, to take place July 29, 1981, I move, seconded by the hon. member for Cardigan (Mr. Campbell) and the hon. member for Hamilton Mountain (Mr. Deans):

That this House unanimously congratulate and express its best wishes to the royal couple on their wedding.

Madam Speaker: Is there unanimous consent for the introduction of this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

ENVIRONMENTAL AFFAIRS

CALL FOR WITHDRAWAL OF SPRAYING PERMITS—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, despite the fact the report on Agent Orange was inconclusive, evasive, and totally unsatisfactory, several private companies intend to douse approximately 44,000 acres of woodland in New Brunswick with a poison containing some of the lethal properties of Agent Orange, namely, dioxin. Besides being adjacent to populated regions of the province there are water courses which could carry the toxins well beyond the boundaries of the spray area. I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That until there is conclusive and substantial proof that sprays of this nature have no harmful effect on humans, or negative ecological impacts, the government immediately withdraw all permits for the use of these poisons in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

SUGGESTION MINISTER REFUSE APPROVAL FOR ELIMINATION OF PASSENGER SERVICES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the plan of the Liberal government to cut severely rail passenger service by order in council is undemocratic and a threat to the well-being of many communities in Canada; and whereas if the Edmonton-Drumheller VIA Rail line is abandoned the city of Drumheller will be without direct ground transportation to Edmonton, our capital city, I move, seconded by the hon. member for Edmonton South (Mr. Roche):

That this House urges the Minister of Transport to refuse to approve the elimination of such essential railway lines.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—FUNDING FOR REMOVAL OF FOAM INSULATION—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under the provisions of Standing Order 43 concerning a national disaster that is a matter of urgent and pressing necessity to be dealt with before this House breaks for the summer.

It is now clearly established that testing for the effects of urea formaldehyde foam insulation are inconclusive, since the degree of poisonous gas can vary with the weather, and individual susceptibility can differ. Since thousands of Canadian home owners are suffering from considerable stress and financial worry, as well as suffering health problems from urea

formaldehyde, and inasmuch as the federal government is responsible for creating this severe problem through its product safety and CHIP programs, I move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

That the federal government reallocate the $5 million budgeted for UFFI testing and the $330 million approved for home insulation programs for this year, and establish a fund to assist home owners immediately to remove this poisonous foam insulation and make their homes safe again for their families.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GRAIN

CALL FOR IMMEDIATE APPOINTMENT OF TRANSPORTATION CO-ORDINATOR—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, it took the previous minister of transport only five months to negotiate the terms of reference for the Grain Transportation Authority and appoint Dr. Horner as its first co-ordinator. For almost two years the Grain Transportation Authority has served a very useful function in making the best use of the limited amount of transportation facilities available for Canadian grain, and the Grain Transportation Authority has been without a permanent co-ordinator for almost ten months. Therefore I move, under the provisions of Standing Order 43, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Transport show his support for the Grain Transportation Authority by immediately announcing a permanent Grain Transportation Authority co-ordinator.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

POSTAL STRIKE STRATEGY OF PROGRESSIVE CONSERVATIVE PARTY—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of this morning's *Globe and Mail* report that the Leader of the Opposition (Mr. Clark) has been "brought to heel" by members of his caucus concerning the Progressive Conservatives' postal strike strategy, I move, seconded by the hon. member for Welland (Mr. Parent):

That this House condemn those heels in the Tory caucus who are putting the boots to their leader at a time when his leadership is under review.

Some hon. Members: Hear, hear!

• (1410)

RAILWAYS

SUGGESTION MINISTERS MEET TO DISCUSS PASSENGER SERVICES—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I am appalled at the thought that much of the rail passenger service across Canada may be discontinued in this time of high energy costs and, in particular, at the cancellation of the rail passenger service between Toronto and Barrie, a rapidly expanding area. The present Barrie train carries 500 to 600 passengers daily, and the savings in fuel alone for this service has been estimated at approximately 260,000 gallons annually. In speaking to the office of the minister of transportation and communications of Ontario this morning, I understand that the Hon. James Snow has requested a meeting with the Minister of Transport (Mr. Pepin). Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the meeting between the two ministers be convened as quickly as possible and that there be no discontinuance of any rail passenger service without full public input and, most particularly, not by a sneaky order in council.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENSIONS

LEGISLATION SOUGHT TO PROVIDE EQUALITY OF PENSIONS FOR SURVIVING SPOUSES—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, because it is understood that all hon. members of the House believe in equal rights for men and women I trust there will be unanimous support for my motion. I therefore move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House notes that under various government superannuation plans, if the wife dies first the surviving widower's pension is 100 per cent but that if the husband dies first the surviving widow's pension is only 50 per cent, and this House calls on the government to bring in the necessary legislation to correct this situation on an interim basis by raising the widow's pension in all such cases to 75 per cent, and to declare that the eventual goal is pension equality between men and women.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

AGRICULTURE

HERD MAINTENANCE PROGRAM—SUGGESTED ONE-YEAR EXTENSION—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas 3,000 western cattle producers are still waiting for finalization of their herd maintenance applications, and whereas many of the producers hit hard for lack of forage crops last year are now experiencing worse conditions this year, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the Minister of Agriculture, the minister responsible for DREE, the minister responsible for Saskatchewan in the other place, and the minister responsible for Alberta in the other place, get their act together and at least one of them accept the responsibility to see that last year's herd maintenance is finalized and that an arrangement be made to extend the program for another year.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTH-SOUTH RELATIONS

COMMENDATION OF POLICIES OF WEST GERMAN CHANCELLOR—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In recent times Helmut Schmidt, the Chancellor of West Germany, who arrives in Ottawa tonight, has gone through "great strains" to remain firmly committed to European security through NATO. Further, since Helmut Schmidt speaks for the one European country without which neither the North Atlantic Treaty nor the European Economic Community could exist, I move, seconded by the hon. member for Portneuf (Mr. Dion):

That this House thank and congratulate the Chancellor for his position that while military strength is one essential element of security, social peace based on a determined effort to ensure that the burdens of austerity are shared with tolerable fairness is another.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN WHEAT BOARD

CALL FOR DISMISSAL OF MINISTER—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to the producers under the jurisdiction of the Canadian Wheat Board. I hope the minister responsible will assist me in this matter. In view of the announcement made yesterday by the assistant to the Minister of Transport (Mr. Pepin) in the other place, which lowered the initial payment for spring wheat by 60 cents per bushel and $1.75 for durum, compared with what producers received last year with the initial adjusted price, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That, in light of the appearance of deliberate deception by the assistant of the Minister of Transport in the other place, this House instruct the Minister of Transport to accept his responsibilities and dismiss his assistant immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY PROGRAM

VIEWS OF UNITED STATES TRADE COMMISSIONER

Mr. John Thomson (Calgary South): Madam Speaker, my question is directed to the Minister of State for Trade. For the first time yesterday we witnessed a member of the United States cabinet speaking on behalf of the United States government with respect to what it believes to be discriminatory policies of the Canadian government, particularly with respect to the Canadian National Energy Program. William Brock, U.S. special trade commissioner, has stated in the last few days that the United States views recent Canadian policies as a violation of our bilateral agreements. The minister will also be aware of the concerns expressed by other of our major trading partners. These concerns—

Some hon. Members: Order.

Madam Speaker: Order, please. The hon. member knows that he should not be quoting at such length when asking a question. I would ask him to come directly to his question.

Mr. Thomson: Madam Speaker, the question I would like to put to the minister is this: has the minister discussed those concerns expressed by Mr. Brock? If so, could the minister advise the House what steps he has taken to ensure that Canadian exports will not be damaged as a result of the discriminatory aspects of the National Energy Program?

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, I have not had an opportunity to see the total transcript of Ambassador Brock's statements. I called CTV in Washington, today, and a copy of the film clip is being sent

here. This morning I endeavoured to call Ambassador Brock to discuss the situation with him. I am hoping to meet with him in the next couple of weeks.

REQUEST THAT PROGRAM BE WITHDRAWN

Mr. John Thomson (Calgary South): Madam Speaker, I think you must agree, and the minister must agree, that this is a very serious matter. I cannot believe, in view of the seriousness of the implications, that the minister has not taken the time to talk to Ambassador Brock about this matter.

I would like to remind the minister that 75 per cent of his—

Some hon. Members: Order.

Madam Speaker: Order, please. Would the hon. member put his question?

Mr. Thomson: Will the minister undertake to persuade his cabinet colleagues of the grave consequences which exist for Canadian exports and Canadian employment, and to withdraw the government's discriminatory energy program before it is too late?

Some hon. Members: Hear, hear!

Hon. Ed Lumley (Minister of State (Trade)): Madam Speaker, we are very conscious of the fact that no two nations in the world will have bilateral trade reaching $100 billion this year, which Canada and the United States will attain. We are unaware of any violation of any bilateral agreements to which Ambassador Brock has referred. As my colleague, the Secretary of State for External Affairs, said the day before yesterday, the Prime Minister in his meeting with President Reagan last week discussed this issue. The Secretary of State for External Affairs also discussed this issue with Secretary Haig and Ambassador Brock in Nassau a week ago. Because of the fact that the private and public sectors in both nations are conscious of this excellent bilateral relationship which we have, I am confident we will find a solution to these problems.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

CANADIANIZATION PROGRAM

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question must be directed to the Minister of Industry, Trade and Commerce because the Minister of Energy, Mines and Resources is not here, nor is the Minister of Finance, nor the Prime Minister.

Some hon. Members: Oh, oh!

• (1420)

Mr. Wilson: All I see is empty green here.

Some hon. Members: Oh, oh!

Madam Speaker: This is a bad start. I wonder if we are going to get through the question period today.

Mr. Wilson: It is quite clear, Madam Speaker, that they are very uncomfortable today. My question is directed to the Minister of Industry, Trade and Commerce, in the absence of all of his colleagues. Most Canadians support increased Canadian ownership of industry in Canada, and particularly of the oil and gas industry. However, many are concerned—

Mr. Andre: Except those in Windsor.

Mr. Wilson: —by the way that the government has gone about increasing the level of Canadian ownership in Canadian industry, particularly as it relates to our trade relations, as my colleague has just stated, and in other bilateral areas, such as the question of acid rain.

Will the government withdraw the punitive elements of its Canadianization program and replace them with policies which encourage—I stress encourage—the greater purchase of shares of Canadian companies, by Canadians, and in so doing would not provoke the confrontation which is currently under way with the U.S. government?

Some hon. Members: Hear, hear!

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we do not believe that these policies are punitive. We believe they are fair and reasonable. We do not deal in a discriminatory way with any of our trading partners. If my hon. friend—

Mr. Andre: And the world is flat.

Mr. Gray: —is giving more than lip service to the concept of strengthening Canadian ownership, he would not ask questions like that.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST THAT AGENCY'S POWERS NOT BE INCREASED

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, we on this side of the House take a back seat to no one in encouraging Canadian ownership.

Some hon. Members: Hear, hear!

Mr. Wilson: If the hon. member—

Mr. Baker (Nepean-Carleton): Where have you been, Herb?

Mr. Wilson: If the minister would read our amendments on Bill C-48, he would understand what I meant when I said that. The increase in the free flow of capital to the United States has resulted in a number of Canadian companies buying U.S. companies, and it is causing a problem with the U.S. Congress. The reverse is not true.

Some hon. Members: Oh, oh!

Mr. Wilson: Companies in the United States are not able to move capital up here as freely, as the minister well knows.

In the Speech from the Throne there was the stated intention to increase the powers of FIRA and increase the degree of intervention of FIRA into the Canadian economy. Will the minister consider withdrawing those three elements of increasing FIRA's powers, and thus put a blanket on the current feelings existing between the two countries today?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we certainly do not agree that the proposals in the throne speech would increase the degree of intervention. They simply make it easier for the basic purpose of the act to be achieved, which is the attainment of significant benefit for the Canadian economy, the achievement of a good deal, both for the investor and for the Canadian economy.

Mr. Andre: And money to lend to Chrysler.

Mr. Gray: I am surprised that my hon. friend questions that. If he does, it is no wonder that the Canadian people put him and his party in the back seat last year.

* * *

RAILWAYS

FUTURE OF VIA RAIL PASSENGER ROUTES—QUERY RESPECTING CABINET DECISION

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to ask the Minister of Transport some questions. On June 29 I asked the minister if he intended to announce abandonment of 16 railway passenger routes, and he did not say either way; but he moaned about a $300 million subsidy to VIA Rail and that something had to be done about it. Are we to assume that only VIA Rail is to be victimized by cutbacks? Subsidies in 1980 for marine transport amounted to $320 million, and for air transport they amounted to $312 million. There has only been a 38 per cent recovery for air users, and a 45 per cent subsidy for highway users.

Is it correct that cabinet made a decision today on what routes are to be abandoned by order in council? If so, will the minister tell us which ones they are and, if not, when will cabinet decide? Or will the minister abandon the idea of rail passenger route abandonments instead?

Mr. Andre: They will only abandon western Canadian routes. Don't worry.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am in no position to make an announcement today on that subject. Therefore, what is said in some quarters is hypothetical. However, I want to reassure my hon. friend that railway transportation, and rail passenger transportation in particular, has always been extremely well served by the Department of Transport. We know, however, that the rate of subsidization has grown 30 per cent in each year of the past two years. We simply wonder what the best way is to help VIA Rail to ensure the growth and progress of passenger rail transportation in Canada.

• (1425)

Mr. Andre: Abandon your western Canadian routes.

Mr. Pepin: In that respect, the essence is to make sure that VIA Rail has updated equipment, the lack of which seems to be at the centre of its difficulties now. At the same time we must realize there are limitations on the federal government's capacity to subsidize transportation. We are just trying, and we are agonizing over it, to find the best way to help VIA Rail and its rail passenger transportation. In my view those, like my hon. friend, who want to protect every yard and every inch of route in Canada are doing a great disservice to VIA Rail. In some ways they are strangling it with love, and that is not the best way to help.

SUBSIDIZATION OF AIRLINE SERVICES AND FACILITIES

Mr. Les Benjamin (Regina West): Madam Speaker, may I ask this philosophic version of Otto Lang whether it is correct that his ministry, which has jet engines for brains, in addition to present subsidies being made to airlines will grant a further $8 million subsidy to Eastern Provincial Airlines for operations into St. Leonard, Chatham and Fredericton, New Brunswick, and Sydney, Nova Scotia as well as paying the costs to upgrade those airports to handle Boeing 727s while the Atlantic Limited passenger train is being abandoned?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I would remind my hon. friend that 27 per cent of the department's budget goes to passenger railway transportation, which is quite substantial. Indeed, it is a half a billion dollars.

As to the question of St. Leonard airport, this is a subject to which I have given much attention. The idea would be to try, on a multi-modal basis, to give this particular area of New Brunswick the best possible transportation system, and we are working on that.

APPOINTMENTS TO VIA RAIL BOARD OF DIRECTORS

Mr. Les Benjamin (Regina West): Madam Speaker, the minister's assertions about the government doing its best for VIA Rail leave me a little bit cold. While I expect the minister to appoint Liberals, can he tell me which one, if any, of the six new appointees to VIA Rail Canada Inc. board of directors, including a former Liberal organizer, campaign manager, and MLA in Saskatchewan, knows a damn thing about railway passenger train service? Incidentally, legislation has not yet been introduced to make VIA Rail an incorporated company. One of these appointees is from Chrysler Corporation, one is from the University of Alberta, one is an investment dealer, one is a feed lot operator, and one is an industrial commissioner. Can the minister explain these appointments which, included an appointee from Windsor?

An hon. Member: They are all Liberals.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have served on a number of boards in the past. In every case the objective of companies is to appoint people to those boards who have a diversity of experience having been in different sectors of the economy. It is this diversity of experience that is required.

I am really surprised by the concept which has been put forward here, that in order to serve on a board you have to be an expert in the field in which a company is operating. The experts are in the company and are part of its staff. People serving on boards of directors should be those who represent a diversity of experience and the public interest at large. The other day I met with the VIA Rail group and I was impressed with their dedication and their knowledge of the subject.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE RIGHT HON. THE LORD PROVOST OF THE CITY OF GLASGOW

Madam Speaker: I would like to draw to the attention of the House the presence in our gallery of the Right Hon. Michael Kelly, The Lord Provost of Glasgow.

Some hon. Members: Hear, hear!

* * *

COMBINES

URANIUM CARTEL—PROTECTION FOR CANADIAN CONSUMERS IN EARLY SEVENTIES

Mr. Chris Speyer (Cambridge): Madam Speaker, my question, of which I have given notice, is for the Minister of Consumer and Corporate Affairs. He may or may not know that the former minister of energy, mines and resources, Mr. Donald Macdonald, was interviewed by the CBC earlier this week. At that time he confirmed, and I quote from the text of the transcript:

● (1430)

All the Canadian producers at the time . . . all the essential producers were told that there was a government policy to maintain a floor price on uranium for export and were required to participate.

The minister is aware that with respect to commodities such as wheat, oil, and natural gas, we have a two-tier system of pricing. What system was in place to protect Canadian consumers from cartel prices during the early 1970s in circumstances where those prices were arrived at by way of bid rigging?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I want to thank the hon. member for having given me notice of not only one but three questions. Unfortunately, whether he has given me notice or not of the questions that he wants to raise in the House, I must tell him that these questions are in relation to cabinet decisions and something that is now before the courts. Therefore the answer given by the Minister of Justice should suffice.

Mr. Speyer: That is an absolutely astounding answer.

Mr. Hnatyshyn: That's stonewalling.

LEGALITY OF CARTEL

Mr. Chris Speyer (Cambridge): Madam Speaker, I will direct a question to the minister that I hope he will be able to answer. During the early 1970s when the cartel was being contemplated not only by the producers but by the government, there was considerable doubt about the legality of it. I have given the minister notice with respect to this question. Did Mr. Bertrand's predecessor, David Henry, prepare for the government any opinion which would cast doubt on the legality of the venture as it pertained to the domestic marketing of uranium?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it has been repeatedly stated in this House by the Prime Minister and the Minister of Justice that any arrangement having to do with the domestic market was not correct and was not acceptable. I do not understand why the opposition is pursuing this course, knowing full well of the arrangements with relation to international activities which did not have anything to do with the domestic activity. The only problem is in the mind of the vicious opposition.

Some hon. Members: Oh, oh!

PREPARATION OF OPINION BY MR. DAVID HENRY

Mr. Chris Speyer (Cambridge): Madam Speaker, I am afraid the minister understands only too well why we want to know the answer to that question. It is part of a shameless cover-up by this government. I ask the minister again to tell us whether there was an opinion by Mr. Henry with respect to the legality of the cartel as it pertained to the domestic market?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the opposition is clearly trying to cloud the issue and draw conclusions about an imaginary situation. In fact I find the attitude of the Leader of the Opposition and that of the hon. member particularly unfortunate, since they use their parliamentary immunity to ask questions and raise suspicion among the public. It is quite clear that this file was examined by independent lawyers, that they recommended legal action to the Minister of Justice, and this is exactly what has been done. It is completely irresponsible to try to raise doubts or cast aspersions on other

people, and I would say that the hon. member in particular is a drip.

[*English*]

REQUEST FOR TABLING OF OPINION

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister is casting doubt and discredit on his own capability and performance as a minister by stonewalling these questions. I wish to bring to the minister's attention a conclusion which is based on fact. Since the minister's memory today is selective, I want to ask him about the advice of Mr. David Henry, the former director of combines, given in 1972, and released to a Congressional committee in 1977, contained in the minutes of a meeting which was called by Mr. Jack Austin. That meeting comprised all the people who had been charged in the indictment. At that meeting Mr. Austin said, and I quote from the minutes:

—that an opinion had been obtained from the Director to the Combines Investigative Branch that the arrangement is legal as it is presently understood by the Director but that it could later become illegal if orders have to be declined by Canadian producers as a result of the arrangement.

That was an opinion given by Mr. David Henry, now Mr. Justice Henry, the former director of the combines investigation branch in 1972. We are told by the Prime Minister that this matter did not come to their attention until 1975.

Some hon. Members: Oh, oh!

Mr. McGrath: They did not act on that investigation until 1977. My question to the Minister of Consumer and Corporate Affairs, who is responsible to this House for combines, is: why did the government not act on the advice of Mr. David Henry when he gave an opinion that this could be illegal if it combined to affect prices in Canada? Why did he not act? Will the minister now table that opinion because otherwise he stands convicted of cover-up and being negligent of his duty to Canadian consumers?

Madam Speaker: Order.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, obviously, the case of the hon. member is so weak that he feels he has to shout to give more credibility to his question. I remind him that this matter is now before the court—

Some hon. Members: Table the report!

Mr. Ouellet: I remind the House that on the instigation—The Leader of the Opposition is getting into the habit of interrupting and cutting off those on this side of the House who are trying to reply to questions. I remind the House, Madam Speaker, that my predecessor himself asked the director of investigations to inquire into this area.

Mr. Andre: What year was that?

Mr. Ouellet: This certainly proves that the Canadian government decided to investigate the matter. It was then the Liberal government that asked the director to investigate. The investigation having been completed, the matter is now before the court.

Some hon. Members: Table the report!

Mr. Ouellet: Madam Speaker, I can speak in a very low voice if you allow me—

Madam Speaker: Order, please. I think that we shall go on to another question.

[*English*]

REASON FOR NOT NAMING DEPUTY MINISTER AS UNINDICTED CO-CONSPIRATOR

Hon. James A. McGrath (St. John's East): Madam Speaker, what a tangled web we weave when first we practise to deceive.

Some hon. Members: Hear, hear!

Mr. McGrath: Perhaps, Madam Speaker, you cannot expect much more from a minister who would phone a judge.

Some hon. Members: Oh, oh!

Mr. McGrath: I would like to direct my question to the Minister of Justice in his capacity as Attorney General of Canada. It concerns the minutes of a meeting with some of the participants in 1972, which was called by Mr. Jack Austin, the deputy minister of energy, mines and resources. It took place at the departmental headquarters in April, 1972. All of the people present at that meeting, except Mr. Jack Austin, have been charged as indicted or unindicted co-conspirators, all the corporate citizens present and the others who were present. The Attorney General of Canada now surely knows the opinion of Mr. David Henry and surely must know the facts in that capacity. Why was Mr. Jack Austin not named in the information with the other two public servants who have been named as unindicted co-conspirators?

● (1440)

Hon. Jean Chrétien (Minister of Justice and Attorney General and Minister of State for Social Development): Madam Speaker, during the four years of inquiry by Mr. Bertrand and the lawyers he hired to do the inquiry they looked at thousands of documents and listened to hundreds of witnesses. Mr. Bertrand and Mr. Brown have recommended to me that six companies be prosecuted. They gave me the names of the non-indicted co-conspirators who are not accused. They are just there in a different situation. They are not accused. I have hired the same lawyers Mr. Bertrand hired. I have accepted their advice. I have taken action before the court. There is nothing else I can add to that because I believe hon. members opposite should be completely satisfied that I have accepted 100 per cent the advice of Mr. Bertrand and his

lawyers. On top of that, these are the same lawyers I have hired as special prosecutors in the matter. The matter is before the court. There is nothing I can add, and I will not.

QUERY RESPECTING POSSIBLE OFFER OF IMMUNITY FROM PROSECUTION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, the government would have us believe that the consiracy ended where the politicians began. I want to direct a question to the Minister of Justice. Has the government offered immunity from prosecution to any individuals in return for their agreement to testify on behalf of the government and, if so, to whom?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I agreed to launch proceedings against the persons and companies as recommended twice by Mr. Brown and once by Mr. Bertrand, and never did I speak to a witness or a person involved in this case. I received Mr. Bertrand's recommendations. I accepted them and took action before the courts. I never discussed the evidence with anyone in the House or elsewhere.

[*English*]

INVOCATION OF CROWN PRIVILEGE TO WITHHOLD DOCUMENTS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I wonder whether the minister would now answer the question. Has the government offered immunity from prosecution to any individuals in return for their agreement to testify and, if so, to whom?

Second, in order to ensure that the trials can take place without interference by the government, will the government give the House the assurance that under no circumstances will it invoke the doctrine of Crown privilege to withhold documents or to withhold testimony from the courts?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, on the second question, I have replied many times in this House that there is a decision of the appeal division of the Federal Court which says that the decision of the cabinet that documents should not be available to foreign courts will not apply to domestic courts, so it clear as it is the decision of the court. I am not faced with any requirement by any court at this stage. When there is a requirement by the courts, I will deal with it according to what I said to this House.

On the first question, I have replied that I do not know of any deal with anybody. I have not made any deal with anybody. The decision I have taken is to accept 100 per cent of the recommendations of Mr. Bertrand, who, a month ago, was a hero to hon. members opposite, and now that I respect the judgment of Mr. Bertrand, hon. members opposite do not agree any more.

THE ECONOMY

GOVERNMENT POLICY ON INTEREST RATES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question today is for the Minister of State for Finance. I hate to bother the minister with another interest rate question, but today the Conference Board predicted that high interest rates will prevail until at least the last quarter of 1982. Since there is wide recognition that these monetarist high interest rate policies have only contributed to high food prices, record housing costs and record bankruptcies, would the minister indicate that the Conference Board is wrong and that the government does not intend to starve pensioners, bankrupt businesses, and throw low and middle-income Canadians into the street as a basic policy?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member fails to make a distinction between causes and effects. We must keep in mind that if we have high interest rates it is because we are in a situation where inflationary expectations and inflation rates are very high as well.

The Minister of Finance did indicate in his budget that he would proceed gradually in his effort to dampen inflationary expectations and inflation rates. As long as we fail to lower those expectations and to reduce real inflation rates it is quite obvious that we will be saddled with higher interest rates.

However, the inflationary expectations can be reduced only in a climate of consultation and I am convinced that the understanding of the economic situation will prompt him to support the measures implemented by the Minister of Finance.

[*English*]

EXPECTED DURATION OF POLICY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, the real defect is the minister's interpretation. High interest rates are causing high inflation rates. The defect also is the Speech from the Throne, which promised to protect those Canadians who need protection most from those high interest rates. The other defect is the Minister of Industry, Trade and Commerce, there in the back seat, because of the promise he made and did not keep.

Those kinds of policies will continue for three years if they go to the end of 1984. How long does the minister think Canadians will continue to submit to this kind of repressive monetarist policy? When does the minister think the people of Vancouver and Toronto will be in the streets saying that they have had enough of this crap?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, in his preamble the hon. member mentioned needy Canadians and how callously the government is treating them. I think that he has forgotten what was done during the

past year especially for the poorest Canadians. I wish only to remind him that income tax indexation and all social measures were maintained, that the guaranteed income supplement was increased and so on. It shows the government's concern for needy Canadians and that steps have been taken to bring them some relief in a difficult economic period which we are now experiencing. As for his question, Canadians realize that it is only over the medium and long term that we will overcome those difficulties. If we continue to fight with effective means against inflation as Canadians, we will improve our economic climate and conditions, instead of looking for magical short-term and drastic solutions, the results of which we cannot anticipate.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

DUMPING OF POISONOUS CHEMICALS INTO NIAGARA RIVER

Mr. Peter Lang (Kitchener): Madam Speaker, my question is directed to the Minister of the Environment. There is continuing evidence that the practice of the Hooker Chemical Company of New York of dumping dioxin is causing dioxin to seep into the Niagara River. We are all aware that dioxin is one of the most toxic chemicals known to man and, being aware of the very serious medical consequences of this chemical, I would like to ask the minister what action he is going to take in this situation. Has he consulted with the Minister of National Health and Welfare and Minister of Fisheries and Oceans regarding a ban on fishing in Lake Ontario?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, as hon. members of the House know, we take this situation very, very seriously. Meetings took place yesterday and today among officials from both the United States and Canada to assess the health hazards in this situation. I believe my colleague, the Minister of National Health and Welfare, may be able to make some announcement about the results of these meetings in the very near future.

We have also expressed our concern to the United States administration in meetings which have taken place between officials of my department and those of the relevant American authorities about examining not only the possible origins of dioxin in the Great Lakes system but also the means of responding to the situation. There will be meetings again in Washington and again on the site of the Hooker Chemical plant within the next few days—I believe next week—in order to assess thoroughly that situation and to be prepared to take remedial action, if such indeed is necessary, in whatever way it can be done.

COMBINES

URANIUM CARTEL—MINUTES OF 1972 MEETING

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Justice, and it relates to his apparent refusal or neglect to answer any questions about matters which should have been brought to his attention with respect to the laying of charges. The minister was asked last Friday about the advice given by Mr. Justice Henry, who was then director of combines investigation. The minutes of a meeting of the cartel called in 1972 by Senator Jack Austin on behalf of the Government of Canada clearly indicate the contents of that memorandum of opinion. Is the minister now saying he knows nothing of this opinion and there is no indication in his mind of the implication of Senator Austin in this whole matter? If he is doing that, he is really pressing our credulity.

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have answered that question about a dozen times. The inquiry into the matter lasted four years. All those facts were made known to the investigators. They came to the conclusion, first Mr. Bertrand then the lawyers who were working for him, that six companies should be prosecuted. That is precisely what I did. They were able to discuss the matter with Mr. Austin and all the persons involved in the matter. They had access to all the documents they wished to consult. They came to the conclusion that legal proceedings should be instituted against the six companies which may at some time have tried to fix prices on the domestic market, which is illegal. During the oral question period the Prime Minister repeatedly pointed out that there is a difference between an international agreement between countries and the internal situation, that is, whether or not companies may agree within Canada to fix prices for the domestic market. That is forbidden and always has been by the law. I ordered proceedings taken under that act against the six companies involved that are alleged to have agreed to set the price of uranium in Canada, which is illegal under our laws. The opinion referred to by the hon. member was surely examined by Mr. Bertrand and the lawyers he retained, and I did as well later on. They reached the conclusion that proceedings should be instituted against the persons involved, and I did as they advised.

• (1450)

[*English*]

REASON FOR NOT NAMING SENATOR AND MINISTERS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, this matter stinks to high heaven, and I do not mind saying that to the minister's face and members of the cabinet. The minister was a member of that cabinet, and there is an apparent conflict of interest when he is the only one who decides who should be prosecuted. The fact of the matter is that there is a clear implication that Senator Austin, the

deputy minister, and the ministers he served were involved, and this a political matter. I am saying to the minister that this is a matter of ministerial responsibility—

Mr. McGrath: And legal culpability.

Mr. Hnatyshyn: Has he satisfied himself that there were no ministers aware of the cartel arrangements impacting on Canadian prices, and is he prepared to release the recommendations of Mr. Brown so that we can see the basis for his prosecution recommendation, or at least tell us on what basis he decided not to include Senator Austin and the ministers involved at the time in the information?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said the reports of Mr. Brown and Mr. Bertrand will be—

An hon. Member: Let us see them.

Mr. Chrétien: —as is traditional, the basis for the prosecution. The material they have gathered will be used by the prosecution to try to have the six companies found guilty of the charges we have laid against them. That is the situation.

I have seen the report. I am satisfied that Mr. Brown has done a very competent job while working for Mr. Bertrand. That is the reason I decided to hire him as a special prosecutor in this case. I am satisfied he will put all the necessary facts in front of the court and will do his best to have these six companies found guilty of illegally combining to fix the price of uranium.

I have no reason not to accept their judgment. I think they know much more than any one of us about this situation. Their recommendations were valid and I have accepted them. It is now up to the courts.

Some hon. Members: Hear, hear!

REPORT SUBMITTED IN 1972

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the great danger, of course, is that the six companies charged will plead guilty, keep the matter out of the courts, and the report will never become public in any fashion at all. Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs, responsible for combines investigations, having to do with the state of knowledge of ministers or other persons not yet charged.

Will the minister answer a very simple question? Will he tell this House whether Mr. David Henry, then director of combines investigation, submitted to the government in 1972 a report which raised the possibility that the cartel would be illegal if it affected domestic prices? Was there such a report prepared by Mr. Henry?

An hon. Member: Yes or no?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the questions asked by the Leader of the Official Opposition are, of course, hypothetical. The Leader of the Opposition cannot infer that nothing will come out of the proceedings because we do not know whether the companies are going to plead guilty or not. So that is a hypothetical question.

Secondly, with regard to the so-called report from Mr. Henry, then director of combines investigation, that is also a hypothetical question, since he is asking whether, under different circumstances, this would violate the competition act. So we are dealing here with a hypothetical situation, which clearly shows, Madam Speaker, that the opposition is overstepping its parliamentary privilege and dealing in hypotheses.

[*English*]

MINISTER'S POSITION ON 1972 REPORT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, there is nothing at all hypothetical about a question concerning a document whose existence has been attested to in the *Congressional Record* of the United States, a country whose government by the force of things is much more public with documents than is this government, a government which was forced to abandon its practice of secrecy.

Some hon. Members: Hear, hear!

Mr. Clark: We know, Madam Speaker, that we have one hidden report, the Bertrand report. It now appears we have a second hidden report, the Henry report. My question to the minister is very simple. Does he deny there was a report presented by Mr. Henry in 1972 which raised the possibility that the international cartel could have an effect on domestic prices which would be contrary to the law? Does he deny the existence of such a report?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the report the Leader of the Opposition talks about is a report, taking the words of the Leader of the Opposition, which says it could possibly contravene the act—

Mr. McGrath: Now you are coming out with it.

Mr. Hnatyshyn: So it does exist.

Mr. Ouellet: —if there were arrangements for a national market.

Mr. McGrath: That is right, that is what we have been saying.

Mr. Ouellet: Now, it is quite clear, taking the very words of the Leader of the Opposition, that Mr. Henry himself at the time was not saying it was illegal.

Mr. Hnatyshyn: Well, produce it.

Mr. Ouellet: That he was, according to the very words of the Leader of the Opposition—

Mr. Hnatyshyn: No, no.

Mr. Ouellet: —saying that it could become possibly illegal if there were arrangements later on in Canada.

Some hon. Members: Let us see the report.

Mr. Ouellet: So I clearly recognize the hypothetical questions and hypothetical evaluation of the opposition. If that is the only basis for their line of questioning, their point is very weak.

Some hon. Members: Hear, hear!

REQUEST THAT 1972 REPORT BE TABLED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, three minutes ago the minister said the existence of the report was hypothetical. Now he admits it exists.

Some hon. Members: Hear, hear!

Mr. Clark: Will the minister table that report in the House of Commons? If he refuses to, if he keeps that report as secret as the Bertrand report, will he tell us on what possible grounds other than cover up, other than to protect former ministers or deputy ministers, does he keep from public knowledge the Henry report which he now admits exists, and which he now admits raises the possibility of illegal action flowing from the cartel? Will he publish it and, if not, why not?

Some hon. Members: Hear, hear!

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the matter being before the court—

Some hon. Members: Oh, oh!

Mr. Ouellet: —is clearly an indication of government action. There is a series of events which took place that cannot be denied by the opposition even if they try to twist the facts. The very first fact is that the inquiry was conducted by the director of combines investigation at the request of the government. That is a fact.

Mr. McGrath: Two years after.

Mr. Ouellet: This is not a cover up; this is a fact. The second fact is that following this inquiry lawyers were retained to evaluate the evidence, and lawyers recommended a charge be laid. This is again a fact.

An hon. Member: How do we know?

Mr. Chrétien: The charges are there.

Mr. Ouellet: The government allowed the process to take place. The document was referred to the Department of Justice and charges were laid.

Mr. Clark: Against some people.

• (1500)

Mr. Ouellet: The only point which troubles the hon. Leader of the Opposition—

Mr. Beatty: We want the truth.

Mr. Ouellet: —is that he would like to charge Senator Austin.

Some hon. Members: Hear, hear!

Mr. Ouellet: But I could add my own speculation to his, and say that if Senator Austin is not charged it is certainly because the lawyers who have looked at the matter have not recommended to the Department of Justice to lay charges.

Mr. Clark: Publish the documents.

* * *

CANADIAN ARMED FORCES

DENIAL OF PENSIONS TO WIDOWS IN CASES OF MARRIAGE AFTER RETIREMENT OF SERVICEMEN

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is directed to the Minister of National Defence. Last week the minister in his capacity as Acting Minister of Veterans Affairs had two important days. One of them was a red letter day when he brought in Bill C-83 which will provide benefits to more than 20,000 widows of disabled veterans. However, as Minister of National Defence, is he aware of the fact that under the Canadian Forces Superannuation Act long-service personnel serving in the armed forces, are denied the right to leave a pension to their widows if the marriage took place after the date of retirement? In view of the unfairness of the situation, and in view of the fact that many later or second marriages are lengthy ones, will he do his best to get this situation corrected?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the question concerning the pensions of retired armed forces personnel must be looked at very seriously, but I believe it is related to the global situation of pensions in the government and in other sectors. At the moment I think there is a task force looking into pension questions. I will take the question of the hon. member for Winnipeg North Centre under consideration and submit to the task force the possibility of improving such conditions.

Mr. Knowles: I thank the Minister of National Defence for his interest in this question.

Business of the House

ROYAL CANADIAN MOUNTED POLICE

REQUEST THAT REPRESENTATIONS BE MADE ON BEHALF OF WIDOWS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my supplementary question is directed to the Solicitor General. He is aware that the same situation applies to personnel of the Royal Canadian Mounted Police. They can retire early but if a marriage, whether it is first, second, or what have you, takes place after the date of retirement there is no pension for a surviving widow. In view of the fact that this is unfair, will the Solicitor General join with the Minister of National Defence in seeking to get it corrected, and will they both make representations to the President of the Treasury Board to bring this whole proposition up to date?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, like my colleague, the Minister of National Defence, I will look into the situation but I would not want to agree, without having done so, that it is a unfair situation. For example, I would like to consider the way all retired public servants are treated and the way people outside the government in the private sector are treated generally with respect to pensions. This is the subject of the study. I do not think that public servants, even members of the RCMP, should be receiving benefits very far ahead of those outside the sector.

Mr. Knowles: It is up to the government to show leadership.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, with respect to the business of the House, I had a conversation earlier today with the minister. At that time he indicated his intention to call the adjournment motion standing in his name for today and tomorrow. Could I ask the government House leader his intentions with respect to the business of the House next week?

[*Translation*]

Mr. Pinard: Madam Speaker, the question is hypothetical but I will answer it anyway. It is indeed a correct assumption to say that today and tomorrow we will be dealing with motion No. 51, in the hope that it will be agreed to as soon as possible. Next week, if necessary and unless indicated otherwise, we will resume consideration of Bill C-48.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MRS. MITCHELL—BRITISH COLUMBIA TELEPHONE COMPANY

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I wish to present a petition signed by more than 50,000 citizens of British Columbia requesting that the British Columbia Telephone Company be placed in the hands of a Crown corporation.

Some hon. Members: Hear, hear!

* * *

INTEREST ACT

AMENDMENT RESPECTING INTEREST PAYMENTS

Mr. Geoff Scott (Hamilton-Wentworth) moved for leave to introduce Bill C-639, to amend the Interest Act (credit card holders).

Some hon. Members: Explain.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, 11.5 million Canadians use Visa and MasterCard. The purpose of this bill is to offer some protection to credit card holders from interest charges which pile up when postal services are disrupted. The bill provides that for every month in which the holder does not receive a statement of account from the creditor, except on advances of money, no interest shall be charged on the amount then due.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,235, 2,389, 2,439, 2,455, 2,507, 2,657 and 2,707.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

ADVISORY COUNCIL ON PUBLIC RECORDS

Question No. 2,235—**Mr. Cossitt:**

1. Is it a requirement that the Advisory Council on Public Records hold at least one meeting in each quarter?

2. What are the dates of all meetings held since its inception?

Hon. Francis Fox (Secretary of State and Minister of Communications): I am informed by the Public Archives as follows: 1. The Public Records Order (P.C. 1966-1749) states that there shall be at least one meeting of the Advisory Council on Public Records in each quarter.

2. The dates of all meetings held since the council's inception are as follows:

July 17, 1967	April 27, 1978
October 19, 1967	July 4, 1978
January 30, 1968	September 21, 1978
April 30, 1968	November 7, 1978
July 31, 1968	January 24, 1979
November 14, 1968	April 11, 1979
April 29, 1969	August 16, 1979
June 20, 1969	December 5, 1979
November 21, 1969	March 3, 1980
November 5, 1970	July 9, 1980
January 28, 1971	July 17, 1980
October 5, 1971	October 7, 1980
July 12, 1973	November 25, 1980
	March 17, 1981

From July 12, 1973, until April 27, 1978, the council as a whole did not meet. During that time its activities, including meetings, were carried out by a number of committees formed to work on specific projects such as drafting legislative documents regarding access to public records; translating records management terminology into the French language; developing standard records management forms; examining equipment for the destruction of security classified records; studying the systematic downgrading of security classified material and developing bench-mark position descriptions for inclusion in the Treasury Board's "Classification and Selection Standards".

PUBLIC ARCHIVES—MISSING ITEMS

Question No. 2,389—**Mr. Cossitt:**

Since and including the date of the discovery of the missing pages in the diaries of the late Right Honourable William Lyon Mackenzie King, were any items found missing from the Public Archives and, if so (a) on how many occasions (b) in each case (i) what were the items (ii) were they recovered and, if so, in what location?

Hon. Francis Fox (Secretary of State and Minister of Communications): I am informed by the Public Archives as follows:

(a) The missing pages of the diary of the Right Hon. Mackenzie King cover the period November 10, 1945, to December 31, 1945. These pages never came to the Public Archives; they were not found after Mr. King's death and it is not known if Mr. King kept a diary for the period in question. (There is a note in the Public Archives from Fred McGregor, one of the literary executors of Mackenzie King, to the effect that pages for the period November 10 to December 31, 1945, were not found among Mr. King's effects). Archivists responsible for the care of the papers of the Right Hon. Mackenzie King that came to the Public Archives are certain that no documents in the King papers are missing and that the entire unit as received is intact.

(b) No systematic search of archives holdings in general has been undertaken to document that items are missing. Archives staff monitors holdings on a regular basis in order to identify items which are misfiled or misplaced in the stacks. When items are found to be out of place, they are returned to their proper location. This monitoring process has revealed only one instance of material accessioned by the Public Archives having been unlawfully removed from our custody. That was a case of two maps having been cut and removed from a bound volume in the late 1960s. The maps were never found. Two instances are on record of items stolen from an archives exhibition. In one case, the item was a printed map and was later replaced. The other case, also in the 1960s, involved two manuscript items stolen from an exhibition on loan to another institution. These items were unique and could not be replaced.

SEAL HUNT

Question No. 2,439—**Mr. Blenkarn:**

1. Does the Department of Fisheries and Oceans monitor the annual hunt of harp and hooded seals in the Gulf of St. Lawrence and off the coast of Newfoundland and Labrador and, if so, what is the cost?

2. Have some scientists compiled biological data on harp and hooded seals that claim the seal herds are increasing and, if so, what are their names?

3. Was research done with respect to determining the population of the seals and, if so, what are the details?

4. (a) What was the quota for the seals to be taken in Canadian waters during the most recent seal hunt (b) was a portion of the quota given to Norway and, if so (i) what portion (ii) did it increase or decrease over the past five years?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): (1) Costs of monitoring the 1980 hunt of harp and hooded seals in the Gulf of St. Lawrence and off the coast of Newfoundland were $163,000. This figure includes wages for enforcement staff, ship and helicopter time but is exclusive of icebreaker costs.

(2) The Northwest Atlantic Fisheries Organization (NAFO) provides the forum for international scientific review of data on seal populations. It is the advice of the NAFO scientific council rather than individual scientists that forms the basis for management of the seal hunt. At the November, 1980, meeting of the NAFO scientific council, the population of harp seals was projected to consist of 425,000 pups and 1.70 million seals aged one year or older (assuming a continuation of current harvest levels) by 1985, representing an annual growth rate of 1.7 per cent.

(3) Research by Canadian scientists in 1980 to determine the population of seals included mark recapture experiments on harp seal pups in both the front and gulf, an investigation of age-specific variation in age determination of harp seal teeth, a

thorough review of historical commercial sampling data and a variety of other biological studies.

(4) (a) 1981 quotas for seals to be taken in Canadian waters were as follows:

Harp seals—	170,000
Hooded seals	15,000

(b) (i) The Norwegian allocation of harp seal quotas in 1981 was 22,500. Of the 15,000 hooded seal quota, 6,000 was allocated to both Canada and Norway and the remaining 3,000 was available to vessels of either country.

(ii) The allocation of harp seals to Norway for 1981 was increased from 20,000 in 1979 and 1980 but remains below the 35,000 in 1977 and 1978. Hooded seal allocations to Norway have remained constant over the last five years.

CANADIAN FILM DEVELOPMENT CORPORATION—CHAIRMAN

Question No. 2,455—**Mr. Beatty:**

1. (a) On what date was the answer to question No. 1,852 transmitted to the government by the Canadian Film Development Corporation (b) was there a delay between receipt of the answer by the government and tabling of the answer in the House and, if so, for what reason?

2. Did Mr. Michel Vennat, chairman of the Canadian Film Development Corporation, discuss with the Secretary of State and Minister of Communications the effect of section 5 of the Canadian Film Development Corporation Act upon his ability to serve as chairman at the same time as he maintained an interest in a private law firm with clients in the film industry and, if so, on what date?

3. Did the Secretary of State and Minister of Communications receive a legal opinion from the Department of Justice concerning the effect of section 5 of the act upon the eligibility of Mr. Vennat to serve as chairman and, if so, on what date?

4. Did the minister inform Mr. Vennat, following advice from the Department of Justice, that he was satisfied that Mr. Vennat was not in conflict with section 5 of the act and, if so, on what date?

5. Since his appointment, has the present chairman of the corporation withdrawn from participating in decisions relating to clients of his law firm and, if so (a) on how many occasions (b) were the clients (i) successful (ii) unsuccessful in their applications for assistance?

Hon. Francis Fox (Secretary of State and Minister of Communications): 1. Crown corporations do not answer parliamentary questions. Ministers, who are members of Parliament, answer such questions and take full responsibility for such answers.

2, 3 and 4. Mr. Michel Vennat disclosed to the previous secretary of state his situation as member of the board of the Canadian Film Development Corporation and as partner of the law firm of Stikeman, Elliot, Tanaki, Mercier and Robb. During the term of office of the previous government, Mr. Vennat requested and received, on a informal basis, an opinion from legal counsel in the Privy Council Office. The opinion received was to the effect that he was not precluded from being a member and chairman of the board of the Canadian Film Development Corporation by the provisions of section 5 of the Canadian Film Development Corporation Act. The previous secretary of state was obviously satisfied that there was no conflict of interest in the case of Mr. Vennat. Mr. Vennat disclosed the above information to the present Secretary of State and Minister of Communications in the spring of 1980. The minister has not received a formal opinion from the Department of Justice. In view of the importance of this question for both candidates and the government, in the case of future appointments to this position, the minister has asked officials of the Department of Communications to obtain a formal legal opinion. In the meantime, the provisions of section 5 will be rigidly interpreted and applied to future appointees.

5. Mr. Vennat's term as a member of the board has now expired. I am informed by the Canadian Film Development Corporation as follows: while chairman of the board of the Canadian Film Development Corporation, Mr. Vennat did not take part in the decisions relating to clients of the above-mentioned law firm in their dealings with the Canadian Film Development Corporation.

(a) and (b) Canadian Film Development Corporation records and procedures are not organized in such a way as to provide the information requested.

DND—USE OF DOGS IN RADIATION RESEARCH

Question No. 2,507—**Mr. McKinnon:**

1. Does the Department of National Defence conduct experiments subjecting dogs to radiation and, if so (a) for how long will a dog survive from the time of radiation (b) what is the radiation dose (c) what symptoms will the dogs have?

2. Did the military perform similar experiments on cats in the 1950s and, if so, for what reason are the experiments being duplicated?

3. Will meaningful results be obtained by destroying fewer than 40 dogs?

4. Will there be follow-up experiments?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): 1. The Department of National Defence has not conducted experiments where dogs are subjected to ionizing radiation. However, the department has issued a notice in the Supply & Services Canada, Research and Development Bulletin of its intention to contract for a study on radiation-induced nausea and vomiting using rats and dogs. Past medical research elsewhere has established that only the canine species has a sensitivity to radiation which approaches that of man, and the dogs' ability to vomit makes it an ideal test animal to be used in the proposed study which includes the testing of possible antidotes.

(a), (b) and (c) The exact detail of the study is presently awaiting proposals by the contractor, who has not been selected as yet. However, laboratory dogs would be used in the experiment in accordance with the Guide to the Care and Use of Experimental Animals prepared by the Canadian Council on Animal Care. The experiments would also be reviewed and monitored by an animal care committee to ensure the humane treatment of the dogs.

2. No. No reference to studies where the department has exposed cats to ionizing radiations has been found.

3. It should be possible for the contractor to obtain meaningful results using 40 dogs or less.

4. The decision whether any follow-up experiments will be required cannot be determined at this time.

GRANTS TO SHERBROOKE AIRPORT

Question No. 2,657—**Mr. Herbert:**

1. With reference to the answer to question No. 2,385, for what reason did the Sherbrooke Airport receive $106,000 in the fiscal year 1978-79?

2. Were requests made for assistance in the fiscal years (a) 1979-80 (b) 1980-81 and were they turned down and, if so, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. Sherbrooke Airport received $106,000 in 1978/79 which represents 90 per cent of the $118,000 cost of temporary repairs as follows:

	Cost
Repairs to runway	$60,000
Runway lights	$33,000
Access roads	$25,000
	$118,000

2. Requests for assistance were turned down in 1979/80 and 1980/81 because the capital assistance program had been terminated.

MISS NANCY JAMIESON

Question No. 2,707—**Mr. Corbett:**

1. Is Miss Nancy Jamieson employed by the Department of Fisheries and Oceans and, if so (a) in which position (b) what is her present employment status (c) is she on sabbatical and, if so, for how long and for what purpose (d) what is her job description?

2. Was she hired through Public Service competition or by ministerial appointment?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Miss Nancy Jamieson is not employed by the Department of Fisheries and Oceans.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed, from Friday, July 10, consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Mr. Scott Fennell (Ontario): Madam Speaker, I rose on the adjournment debate last Friday, my leader had just indicated the determination of the Progressive Conservative Party to keep Parliament in session until we had an indication of a serious determination to restore mail service in the country.

Last Friday there was a postal deadlock; neither the government nor the union showed any movement toward settling the strike. Thousands of Canadians were left without hope that there would be an early restoration of their mail services. We insisted that Parliament stay and do its duty to Canadians.

As a direct result of our keeping Parliament at work, there have been three major developments in the postal situation. First, the parties agreed to negotiate about mediation. Second, that negotiation was successful and mediation was agreed to. Third, an excellent mediator has been named in the person of Judge Alan Gold.

One thing is crystal clear. If Parliament had gone home, there would have been no mediation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Fennell: If Parliament had gone home, we would have been no further ahead today than we were last Friday. The very presence of Parliament doing its duty led to mediation, and my party and I are proud that we achieved that result.

We want the mediation process to proceed. We know Judge Gold cannot meet the parties until tomorrow. We hope he will find success in this work as he has found such distinguished success in other work in the labour field. He is a first-class choice. The question is whether the two parties, the union and the government, are entering this negotiation determined to find a settlement. We hope they are. We look forward to seeing the spirit in which they meet Judge Gold tomorrow.

● (1510)

We believe Parliament has a duty to encourage both parties to enter into the mediation in good faith. Parliament also has a duty to monitor the attitude of the union and the government, and to ensure that mediation is successful. My party and I look forward to the meeting between Judge Gold and the parties tomorrow. We hope it will result in a settlement.

In order to avoid in any way impeding successful mediation my party deliberately did not raise any question today about the postal situation during question period. We intend not to discuss the postal situation in the adjournment debate today or tomorrow, except to point out Parliament's presence. We are determined to make the mediation process work. We hope the government and the union share in that determination.

Some hon. Members: Hear, hear!

Mr. Fennell: But, Mr. Speaker, we do want Parliament to work. This Parliament has a duty to the people of this country, a duty to the people whose businesses and firms are either in bankruptcy or almost bankrupt, a duty to people who are being forced to lose their homes.

During this period that we are sitting here in Ottawa there are many issues we can debate. The first one I would like to talk about has to do with high interest rates and the effect they are having on this country. High interest rates are not solving the problem of inflation. They merely provide greater revenue to the government from taxation. However, that really does not solve the problem because the government can spend it faster than it can collect it.

During this period of high interest rates I want to ask the government if it will consider this proposal. It is not only a proposal to protect those with mortgages coming up for renewal at this time but a proposal to protect new home owners, to give them the right to buy, to encourage the construction industry and construction workers back to work.

I would request the government to steal our mortgage deductibility program. It was a sound program. That program would have covered this period of time so well had we remained in office. I request the government to take this concept and use it, if only to implement it during this time of high interest rates. It was a sound program, one which has been used in every other country in the world. Canada is the exception. If the government were to put it in place for six months to a year it would assist home owners renewing their mortgages and it would assist new home buyers in buying their homes. In turn, that would assist the economy of our country.

The next point I would like to bring up is the small business development bond program. As we all appreciate, this was one of our proposals. Unfortunately, the government stole only part of it. Why would it not steal the rest of the program? Why will it not include unincorporated businesses and farms in the program? This is a time when these people are going out of business. Why should they not be included in the program?

Mr. Evans: For the same reason the hon. member for St. John's West did not include it.

Mr. Fennell: Perhaps he had a reason then. I am saying at a time when interest rates are 22 per cent that these people are going out of business and they need assistance now.

The small businessman is the lifeblood of our country. Small businessmen employ two-thirds of the work force in this country. The government must adapt the small business development bond program for unincorporated businesses. This group will solve the productivity and unemployment problems of our country. Regrettably, it cannot solve the inflationary problems of Canada since that responsibility falls squarely on the shoulders of this government. Small businessmen are the modern-day heroes of Canada. They have the guts to stand up and try to make this a better country and a great country. They are the people who create jobs. They are the ones taking the risk. Government never takes any risks, it just takes the money. These are the people, the great segment of Canadians, who are keeping the economy on track. These are the people whom we should discuss in this House.

I presented a program before which received some acknowledgement but I have not seen the results of it yet. It would have dealt with this situation. As I said before, the small businessmen cannot solve the inflationary spiral which has created chaos for all Canadians. This has really been a bloodletting situation for all Canadians. Senior citizens are losing their assets which are being eroded by inflation.

It is interesting that we continue to blame high interest rates on inflation. That is not the case. In the United States Americans have mortgage deductibility. They also have the same prime rate as us, within a point or so. In the United States, since high interest rates have come about inflation has been reduced to 8.5 per cent while our inflation has increased to 12.5 per cent. Again, the only one to blame for this situation is the government which is placing on the citizens of this country the cruellest handicap. It is hitting the poor and the middle class. It does not hurt the rich or the government, but it is the guts of Canada which is tearing apart.

Yesterday in a press interview the Prime Minister stated that each of the seven members of the OECD countries are trying different economic measures to solve their inflation problems. Before the summit takes place all I can say is that obviously Italy and Canada are trying two economic systems which are not working. These systems should be abandoned. We should stay here all summer and listen to measures which the opposition will put forward to improve the situation in this country.

This is a very serious time. Once government members received their pay raise it was interesting to see how rapidly they were prepared to pack it up and get out of the House. Now that they have their pay raise they have that much more responsibility to the citizens of this country. They have a responsibility to be here to do a job for their constituents. I have noticed that in many other countries there are Congresses and Parliaments still sitting.

What is the bottom line as a result of the National Energy Program? There is a very serious bottom line which is starting to surface. I was south of the border on Monday trying to find out what was happening. It is a very subtle course that the Americans will be following. They have been hurt by Canada and the National Energy Program. In one respect they have been helped since many of our drilling rigs have crossed the border. In another respect they have been hurt. American oil companies are suffering losses which enables the government to buy them up at distress prices.

• (1520)

The subtlety which will come through has nothing to do with oil or petroleum. It is another subtle trade embargo; not an announced one, and not an open one, but a very subtle one. They are not going to sit down and take it laughing. They look at Dome and how they got Hudson's Bay Oil and Gas away

from them. They are fighting Seagram's as hard as they can, Canadian interests. Why should Seagram's have the right to go down to the United States and buy up a major American corporation when in Canada they are being expropriated from the same people? I am sorry, but they have a point. The only thing that this program is doing is bringing this country to the same state that England is in and is now suffering from as a result, namely nationalization.

I believe we should stay here for days to debate this. I plead with the government to abandon the National Energy Program now before we feel the full economic impact of the word of mouth which is travelling around the United States. Please abandon it now before the United States decides to abandon its part of the auto pact, leaving tens of thousands of automobile workers in the unemployment ranks. I plead with this government to go back and look at what it is doing. Its favourite, PetroCan, has been able to collect other oil interests from other countries. It is big enough now. Let the free market system work, because it is only the free market system which will resolve the economic problems of this country. Government intervention does not solve the problems, as has been proven in Sweden and in England. Now we have a Prime Minister imposing it on us here. Let the free market work; abandon the energy program.

In my riding, I have watched the havoc which has been created over expropriation. My riding encompasses the Pickering airport. I am talking about expropriation. This havoc is going to spread over the entire north of this country, as well as the east and west coasts of this country, if Bill C-48 is permitted to pass. That is a straight expropriation bill. If it is passed in this House, it will change the lives of every single Canadian, and we will be down in the ranks, below Italy, below the lowest of socialist countries which have tried it. Socialism has not worked in the other countries. Why are we attempting to try it here? It will not work here, either.

Once the government gets Bill C-48 through, the next thing it will do is bring in a new bill to expropriate 25 per cent of all farms, and it will be called "farmcan". Eventually it will go on, without the right of property rights in the proposed Constitution, to take 25 per cent of everyone's homes. The government will call that "Homecan". Therefore, we will have PetroCan, farmcan and homecan. Then the citizens of this country will be left with only one choice: to kick the can of the Liberal government out of Ottawa. That is the only choice we have. I would plead with them to do it today and not wait too much longer.

Mr. McDermid: Put the boots to Coutts!

Mr. Fennell: Good point!

An hon. Member: Keep your head, McDermid.

Mr. Fennell: I would like to touch on one of the other points which have come up during this period because it is very close to my heart and my feelings. This is the year of the handicapped. What has this government done to assist the handicapped this year?

An hon. Member: It is the most handicapped government we have ever seen.

Mr. Fennell: That is right. My colleague refers to it as a handicapped government. Maybe it should start by helping itself become unhandicapped, first of all; but let us help these people who need the help. The government does not need the help. I am talking about people like my constituent, Mike Overdyk, who had to sit in the Toronto-Dominion tower for 36 hours. I told him to go home and we would work it out here. I have now sent three letters to the Minister of State for Finance. I have received the most Mickey Mouse replies. One did not even answer the first letter. Now I understand that the matter is being studied. If it is being studied and we are staying here, let us bring in new legislation to help the handicapped of this country who have been severely hurt for many generations—since the beginning of time. That is one place the government could start.

All one has to do is look across this country. Do not feel that you are the great white fathers because of what you have accomplished this week which is of such importance: having the handicapped games here in Ottawa. Look at those people and realize how much more help they need. We are fortunate. We can stand on our two feet and use both our hands. We have no handicaps. Those are the people we must look after.

Mr. Chénier: That is what you think.

Mr. Fennell: Part of the problem of inflation is that the government keeps blaming it on petroleum prices. It is a wonderful way to be; but has it ever looked at the amount of money it is taking which is creating the inflation? Out of a litre of gasoline, the government now takes almost 23 cents out of 36 cents. That is two-thirds of the bite. The government is taking so much money in petroleum taxes that it could afford to provide mortgage deductibility for every home owner in this country for the next year. Give the people a break. Get the country working. Get the construction workers back on the job. This is a great opportunity, while we are sitting in this House, to read and to do something positive. This government does not care about Canadian citizens. It cares about itself. It has looked after itself. Now let us look after Canadians.

I could go on, but I still say that there are many things we can very usefully debate in this House between now and October 14. Perhaps we can get the message across there, because there is an old saying in advertising that if one hits the message frequently enough, it finally sinks in. Perhaps we can get the message across that by our staying here through this summer, we might resolve the economic dilemma of the country.

An hon. Member: Come on!

Some hon. Members: Oh, oh!

Mr. Fennell: The country is in an economic dilemma.

Some hon. Members: Oh, oh!

Mr. Fennell: Hon. members say, "What a laugh". They just want to go home.

An hon. Member: Where have you been for the last two weeks?

Mr. Fennell: I have been right here for the last two weeks, and I plan to be here for the next two and a half months because we have a lot of problems to solve. It would be a good thing if those hon. members would stay home. Then we could sit here and get something done.

Some hon. Members: Hear, hear!

Mr. Chénier: You had it a year ago. What did you do with it?

Mr. Fennell: There is a danger—

Mr. Deputy Speaker: Order. The hon. member for Ontario has the floor.

Mr. Fennell: There is a danger in our sitting here. The Minister of Finance keeps threatening the deindexing of income tax. Does Your Honour realize that it will raise an additional $1.7 billion? Soon the government will have 60 per cent of the GNP. If it does not introduce deindexing, it will probably try wage and price controls. This did not work five centuries ago when the Divine Rights of Kings were operating. The government has tried so many bad things that it is time it did something positive.

Mr. Chénier: Get rid of the PCs!

Mr. Fennell: I would say that to kick the Liberal can would be far better.

Mr. Chénier: That is a new one.

Mr. Fennell: Thank you, Mr. Speaker, for the time I have had—

Mr. Chénier: Time you have wasted!

Mr. Fennell: I have not wasted any time. I have put my time to great use. My time has been wasted, to a great extent, by ministers not answering queries of mine. Yes, that time has been wasted. However, I have created productive time for my constituents, and I have worked hard on behalf of them, as we all have on this side of the House. Believe me, if we had stayed in government, this government would be sailing along a lot smoother road than with the Liberal intervention.

Mr. Chénier: We saw that last year. You sailed right past the election!

Mr. Fennell: Thank you for the time, and thank you, Liberals, for the insults. You can continue with the insults, because you cannot do anything else in this House of Commons, so keep it up. You are making fools of yourselves. You are making fools of Canadians.

Mr. Deputy Speaker: Would the hon. member please address the Chair.

• (1530)

Hon. Gerald Regan (Minister of Labour): Mr. Speaker, in rising to participate in this adjournment debate, I thought it unfortunate that the previous speaker, the hon. member for Ontario, became so incensed about a little matter. Maybe he got out of bed on the wrong side this morning, but some of the things he said during the course of his remarks sounded to me like an equal combination of Greek mythology, Walt Disney and science fiction. I do not think he should have allowed himself to become quite so incensed over the inventions of his own mind.

What has happened in this House over the last few days has been both irresponsible and new. The Conservatives have said they will not allow this motion to come to a vote, and they will not allow the House to adjourn for the normal summer recess when members can become reacquainted with problems in their constituencies and do the work that is important there enabling them to represent their constituents here in Ottawa. The Conservatives have said they will not allow a recess until such time as the government brings in legislation taking away the rights of the workers in the Post Office dispute and of the Post Office itself and putting an end to the strike. I say it is not only irresponsible but it is new and unusual because, in fairness to the Conservative party, never until this past year has the Conservative party when in opposition played this irresponsible role.

I have to say in fairness that the attitude of the House of Commons during major labour disputes over the years has been pretty well unanimous in its approach to keeping parliamentarians' hands off negotiations and the work of mediators and professionals who attempt to bring most settlements. I believe that an examination would show that the tendency is to allow the industrial relations system to function.

Why is it different this time? Why is it that an opposition party is doing something under the present Leader of the Opposition (Mr. Clark) which did not occur when Bob Stanfield was leader of the opposition or when John Diefenbaker was leader of the opposition? Why is it that it has only occurred now at a time when the Leader of the Opposition is under very great pressure in relation to his future role from some of his erstwhile supporters?

Mr. McDermid: You have had experience in that.

Mr. Regan: As a matter of fact, I will mention more because this time, for some cheap purpose, their past relatively public spirited record has been allowed to go right down the drain. To keep Parliament sitting until the strike is settled is for those involved more than unsettling. It does much to guarantee that the strike will not be settled in the negotiating process. Having Parliament looking over the mediator's shoulder is not at all helpful.

The hon. member for Ontario said just a few moments ago that Parliament must continue to sit day by day and that we

must monitor what is happening in the mediating sessions. I assume the Leader of the Opposition means by sitting day by day that he will continue to demand that the government pass legislation ending the strike and thus taking away the rights of individuals in that regard.

Mr. Pinard: What an insult to Judge Gold.

Mr. Regan: As the President of the Privy Council has pointed out, this is an insult to the ability of Judge Alan Gold who has just been appointed mediator of the Post Office dispute. It is not helpful to have Parliament peering over his shoulders.

Mr. McDermid: Get back to Bill C-48 then.

Mr. Regan: Mediation in a difficult dispute when the parties have strongly entrenched positions is not something that is usually or ordinarily achieved in a day or two. There are members who are here who are familiar with industrial relations, and who are fully aware that the task of a mediator is a very delicate one. Sometimes it may take a week, sometimes two weeks, sometimes even longer than that to reach a settlement.

One of the great mediators and conciliators of the past few years is Senator Carl Goldenberg. He participated in many important disputes and was able to resolve a good percentage of them. I want to put on the record what Senator Goldenberg once said. It is applicable to the situation with which the Leader of the Opposition has confronted us today. He said that you cannot mediate in a goldfish bowl. No one can mediate if the parties have someone, an organization or a group, such as this, peering over one's shoulder every day.

The hon. member for Ontario seemed to admit this when he said that they had held back today from asking any questions on the subject of the strike so that Judge Alan Gold could start his mediation tomorrow. At the same time the Conservatives are reiterating again and again that they will not allow Parliament to rise, that parliamentarians will be here to peer over the judge's shoulders and that they will insist upon legislation being brought in.

Let me discuss the dispute and the system we have for settling disputes between parties in the public service. The question arises whether people in the public service should have the right to strike. Often you hear the basic question as to whether people should have the right to strike at all. There is no question that people would give you many arguments on both sides of the question.

I will go into the merit of the right to strike in the public service in a moment, but first let me say that if you allow people in the public service to have the right to strike, if the law says that the Post Office employees, if they are unable to come to an agreement, after a vote, after the passage of conciliation, after a certain time period, are allowed to take strike action, then surely it is cynical to take away that right to strike the instant it is used. It is just like a bullfighter with a cape. If we are to follow a system—I believe we should and I will say why in a moment—that allows the collective will of groups of people, following statutory pre-conditions, who are unable to reach an agreement with their employer in rare cases to take strike action, then we must not be cynical. We must allow that strike when it occurs to be settled in the proper manner by the parties in negotiation and where necessary with the help of a mediator.

If the Conservative party does not believe in the right to strike, if it does not believe in the right to strike in the public service, then let it say so. Mind you, when the Conservative party was in government, it did not do anything to take that right away or change the system. Indeed, the Right Hon. Leader of the Opposition has said in the past, in opposition, that there should not be the right to strike. However, when his party formed the government, he said that this question must be very carefully approached and that without the closest and fullest consultation with the parties no changes should be made to the system. I guess that eight or nine months was not enough to have that amount of consultation.

Suppose that one did not have the right to strike. I have to admit that there are many people who have not been intimately involved with the problems of workers getting their rights and good working conditions. They feel that the right to strike should be done away with. They are in error when they say that.

• (1540)

We must remember that this has been tried in various countries. I will give the example of Australia. A number of years ago Australia passed legislation to the effect that strikes would not be allowed and that compulsory arbitration would apply to the renewal of collective agreements. Well, Australia has one of the highest records of man days lost through strike action of any country in the world.

Mr. Oberle: Except for Italy and Canada.

Mr. Regan: All of these strikes are illegal, but they continue to exist. My friend opposite talks about Italy and Canada. Perhaps he should talk to some of his friends running the provincial governments in this country, because that is where you find the highest statistics. With regard to federal jurisdiction, we have a very low record when it comes to man days lost through strikes.

The question of outlawing strikes and ordering compulsory arbitration sounds simple. However, it has not worked where it has been tried elsewhere. Instead of having legal strikes, you have illegal ones. That is a bad system because illegal strikes can happen at any time. There is not the degree of responsibility in approaching the settlement that there is if you have a proper system of law and order.

Mr. Huntington: It is a rubber stamp system of law and order.

Mr. Regan: Listen to him! I want to quote from Walter Stewart who wrote a public service disputes article a few years

ago. He talks about those people who would pass a law to do away with the right to strike in the public service. I quote:

> Jelinek's bill would allow the Public Service Staff Relations Board and the Canadian Labour Relations Board to declare any work at all to be an "essential service" and to order strikers back on the job forthwith. Great stuff, but before MPs turn aside from really pressing tasks... they should ask themselves whether legality is relevant in public service strikes. After Parliament passed the Public Service Staff Relations Act in 1967, it became possible for the first time for federal civil servants to walk off the job legally. Before that, strikes had been frequent, but had lacked the official stamp of approval. Now, for most groups of bureaucrats, they are legal. The Special Joint Committee on Employer-Employee Relations in the Public Service reported to Parliament in February 1976 that there had been sixty-one federal public service strikes since the passage of the act, eleven of which had been legal and fifty outlaw... Without it, we would have had sixty-one illegal strikes instead of fifty.

The only thing his statistics show quite clearly is that there are situations in which the dissatisfaction of people cannot be settled by the arbitrary judgment of one person acting as an arbitrator. There are situations in which strikes will occur whether they are legally allowed or not. Strikes certainly were not and are not, unless there has been a change in the last couple of months, allowed in Poland, a communist country. However, the will and the grievance was sufficiently strong that it did not stop Solidarity from being formed and strikes from occurring. It is all very easy to talk about outlawing strikes, but it is just not that easy to do.

One can argue that we would have less disruption if there were no strikes, but I believe it is better to allow strikes to occur. At the same time, we should take every possible step through mediation, improved industrial relations and the development of good health and safety standards to minimize strike situations and to have, as we have in our system, arbitration to determine the final settlement of disputes that occur during the course of a collective agreement.

The great advantage we have in the system in the provinces of Canada and in the federal government, and in much of the United States, as contrasted to that in England and much of Europe, is that we have statutes which determine where a strike can occur. They provide that a strike can legally occur at the end of a collective agreement and when efforts to renew with the help of mediation have failed. It can only happen then. This provides a period of predictable stability during the contracts. The price we pay for that system is the occasional strike, but it is a price we pay for the best industrial relations system in the world.

A lot of people are focusing attention now on the postal strike. However, we never hear anything about the strikes that are avoided or all of the collective agreements that are renewed without work stoppages. For example, when this House was sitting last December 17 and 18, some members were frightened they would not be able to get to their homes for Christmas because of the threatened strike of the air attendants of Air Canada. The mediation services of our Department of Labour settled that dispute and prevented a strike. There is not a question asked in the House as to how it was settled or why, and there is hardly a thing about it in the newspapers once it was settled.

We do not seem to realize that we have a system which brings a very high percentage of settlements without work stoppages and a very high percentage of quick settlements of those work stoppages that do occur. Occasional strikes are the price we pay for the best industrial relations system in the world.

Both unions and management must realize, and I think it is applicable to this case, that a strike is a two-edged system. When a strike occurs, it applies pressure to try to get better terms. It brings the parties to the critical point where they are sure to give their bottom line and are more likely to reach agreement. However, a strike does not guarantee success. Some strikes are lost and some are won. Some lockouts are lost and some are won.

When the postal workers go on strike, they should not feel that after a week or ten days there will be legislation to get them or the Post Office off the hook. Nor should the government feel that if a strike occurs, they can legislate an end to it after a very few days. If workers have the legal right to strike, and if they strike despite the best efforts, the matter must be settled at the negotiating table, as Judge Alan Gold will now be striving to do following his appointment. He will try to get these two parties to settle.

Back to work legislation should occur only when very serious and widespread damage is being done to society. I will give an example in that regard. I want first to say I have been fortunate that in all the years I have been involved in government, both as a minister and as a premier, I have not been involved in any back to work legislation. I have always faced the fact that a situation may arise where that becomes necessary, but in my view it is not something we should run out and do just because a strike happens to occur. We either give workers the right to strike or we do not; and if the legislation provides, as it does, that there is a right to strike, then that is the case. They should be allowed to do so, and the settlement should be achieved at the table. I think that is in the best long run interests of both parties in future negotiations.

• (1550)

What is happening here? Why is it that members of the Conservative party in this instance are taking a different position from the position they have taken while in opposition in the past? Many public service strikes have dotted the years. Never before have they taken the position that Parliament cannot adjourn until legislation is passed to end strikes. But do hon. members know what is unique? At this moment the Leader of the Opposition is under fire. We have a man whose supposed supporters—and one of them is laughing now—

Mr. Malone: At you.

Mr. Regan: —are not allowing him to leave. He is not allowed to leave. I believe he has many of the better instincts, but he is not being allowed to follow those instincts because the right wing—the red necks, as they are called—are ruling the day. He is in such jeopardy in relation to the continuation

of his leadership of his party that he has to give in to the ill-founded and ill-advised pressure of this particular group.

Some hon. Members: Shame!

Mr. Regan: This year his job is in jeopardy. I happen to be one who believes his job should not be in jeopardy. I have a very high regard—

Some hon. Members: We want Joe.

Mr. Regan: I am serious. I have a high regard for the right hon. gentleman, but there are more leaks from his caucus than there is in a sieve. Everyone around here and most of the people across the country know his job is in jeopardy. He therefore makes the human, but highly regrettable, error of being led into a position, reactionary in nature, which is harmful to the parliamentary process, destructive to the collective bargaining process and, indeed, one which inevitably will have the effect of prolonging the strike because it will prolong the expectations of the parties that a legislated settlement may let them off the hook and may put them back to work. But that is not going to happen.

Mr. Malone: Your speech writer drinks too much.

Mr. Regan: There is no speech writer in the world who writes in a hand like this, my friend.

Some hon. Members: Hear, hear!

Mr. Regan: The Leader of the Opposition is interfering in the process of attempting to achieve a settlement. This affects postal service for all of the people of the country and the working conditions and salary levels of a great number of workers across the country. It is not the role of Parliament to interfere with the settlement of this strike. A taxi driver drove me here this morning, and he said exactly that. He said, "Why is Mr. Clark messing around with this thing? Why does he not let the parties get on with negotiations?"

Mr. Beatty: That was Peter Stollery, was it?

Some hon. Members: Hear, hear!

An hon. Member: What have you got against taxi drivers?

Mr. Regan: They are against taxi drivers. Or maybe they are against senators. It is one or the other.

Mr. Huntington: Was he driving an Austin?

Mr. Regan: I can understand why hon. members opposite want to distract me from my main purpose, because they are hurting. However, I say seriously that the Leader of the Opposition is serving the main purpose of satisfying his backbenchers instead of following his better judgment, and he is harming Canadians as a whole.

Some hon. Members: Hear, hear!

Mr. Regan: His solution of passing legislation to end the strike can thwart the achievement of a fairly bargained settlement.

What has been the story when there has been legislation passed—and it had to be done—to end strikes in the past? It has left a residue of bitterness. It has not made for better relations. Sometimes it has to occur, as I said. I was going to use the example earlier of the fact that Allan Blakeney, as Premier of Saskatchewan, was faced with a hydro workers strike in the middle of a blizzard in February, and even he had no choice but to legislate them back to work. Those situations can arise. But when those situations do arise, as unfortunate as they are, there is no question that legislation does leave that residue of bitterness. It is not the foundation for building better industrial relations between parties.

The small businessmen of this country with whom I have talked are condemning the Leader of the Opposition for the position he is taking. Let us make no mistake about that. Some hon. members opposite know that because they have been hearing it, even though the mail is not pouring in because of the strike. They have been hearing it in other ways, and they know that what small business in this country is saying is that it is extremely unfortunate and painful to them and that the strike is costing them a lot of money. But they fear that a legislated settlement will breed more strikes each time the collective agreement comes up for renewal. If one side declares a strike or the other side allows a strike to occur and if the parties find that no one will legislate them back after seven or ten days and they must work out their differences rather than face a quick, convenient legislated settlement, then strikes will not be as likely to occur next time and in succeeding years.

The small businessmen I know in this country are taking the position that this strike should be fought out by the parties. Let them reach an agreement as best they can at the table with the help of good mediators, and let us not have Parliament interfering in that process. They believe that if this process is followed rather than the legislative process, we are much more likely to have the foundation for better industrial relations in the Post Office as it becomes a Crown corporation and in the years ahead than otherwise.

Some hon. Members: Hear, hear!

Mr. Regan: I want to summarize four or five points. First, in my view, by keeping Parliament sitting for this sole purpose, the Leader of the Opposition is showing no confidence in Judge Alan Gold. He is undermining him, and Judge Alan Gold has an enviable record as a mediator.

Second, the Leader of the Opposition is prolonging the strike by allowing the parties to believe that they may get a legislated settlement.

Third, the Leader of the Opposition is setting an undesirable precedent which could lead to more of the same in the future. If hon. members in the opposition keep Parliament sitting because there happens to be a strike in the Post Office, in the future they may find that they will have to keep Parliament

sitting if there happens to be a strike in some other industry in the country.

I hear the voice of reactionary essential services legislation. I have already dealt with my view that people should have the right to strike legally, and under the controlled provisions of the statutes such as we have at the present time rather than the jungle of illegal strikes which inevitably flow from the hon. member's particular approach.

Mr. Beatty: You just want to have your summer vacation.

Mr. Regan: The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) says I only want my summer vacation. I want to assure him, as he knows from his own not so lengthy career as a minister, that the fact that Parliament rises does not do away with the work which has to continue in the department.

Some hon. Members: Hear, hear!

• (1600)

Mr. Regan: The next point I want to make in summary, Mr. Speaker, is that having Parliament sitting is not helping to bring those parties to a settlement. Unfortunately the Leader of the Opposition is not interested in a negotiated settlement; he wants something which is achieved by Parliament so that he can appear to have played a political role in it.

Some hon. Members: Shame.

Mr. Regan: Finally, Mr. Speaker—

Mr. Malone: Hear, hear!

Mr. Regan: —without much hope of results but in very good faith, I want to implore the Leader of the Opposition to stand up to the rednecks in the backbenches. I want him to recede from the position he has taken which is interfering with the settlement of the strike, to abandon that position and recognize that the best interests of the postal workers, the Post Office and its customers, and the Canadian public in general—

An hon. Member: And the Liberal party.

Mr. Regan: —would be served if he allows Judge Gold to mediate not in a goldfish bowl, but rather in the normal circumstances which would occur if Parliament followed the schedule it agreed to earlier last week.

Some hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I hope it will be appropriate if I try to speak in rational terms and try to keep cool. My doing so may not attract as much of an audience as the last two speakers, but we are debating a very serious matter.

In case those who might be watching us on television wonder what the motion before us is—they probably think it must in some way relate to the postal strike—I would point out that the motion in the name of the President of the Privy Council (Mr. Pinard) calls for this House to adjourn on the day the motion is passed, whenever that might be, and to stand adjourned until Wednesday, October 14. In other words, we are debating the possibility of a summer break for the House of Commons.

The motion includes a provision that is always in such a resolution, namely that if the Speaker, after consultation with the government, feels there is an issue about which Parliament should meet, Parliament can be recalled. I have abbreviated it, but that is the whole motion we are debating this afternoon. We debated it last Friday and we will debate it until it is finally disposed of one way or the other.

An hon. Member: Does that mean closure, Stanley?

Mr. Knowles: My hon. friend asks if that means closure. I hope it is in order for me to say that I have been told there will be no closure on this motion. There cannot be a Standing Order 75C—

An hon. Member: Standing Order 75B.

Mr. Knowles: There can be no Standing Order 75B or C on a motion. Standing Orders 75A, B and C can be applied only to a bill.

Now, Mr. Speaker, I think it is understandable and quite natural that the debate has turned to the postal strike. However many speeches there may be in this debate this afternoon or tomorrow, most of them will probably deal with that situation. My colleagues and I are as concerned as every other member in this House, and most of the people in Canada, about the seriousness of the strike of CUPW. We earnestly hope this situation can soon be resolved, and the place we think it should be resolved is at the bargaining table through negotiations. We regret it has gone on as long as it has. We are aware of the inconvenience and suffering being experienced by many people, and we earnestly hope that the appointment of Judge Alan Gold and his acceptance by both sides is a good omen. He has a reputation as a very effective mediator, and I think if we give him the chance there is reason to believe the postal strike might soon be settled.

Having said that, I suppose it follows almost automatically that I believe we should give him the chance. I do not think it helps for us to stay here monitoring this situation, watching it, standing over the mediation proceedings and giving the impression that if they fail Parliament is ready to jump in with back to work legislation. I think the Minister of Labour (Mr. Regan) was quite right in the position he took. He added a few political barbs which perhaps will not shorten the debate, but he was quite right in the position he took that we should not be interfering with that bargaining process by staying here when it was our intention to leave.

Therefore, Mr. Speaker, I hope we can come to an agreement without too much debate to take our planned summer break, and leave it to Judge Gold, the Treasury Board and CUPW to reach a settlement as soon as possible. The motion provides that if the government decides that Parliament should

come back, it can be done very quickly. However, it is quite different to have Parliament out there having to be called back, rather than having it sitting here. I earnestly hope we can reach agreement on this very soon.

As I say, the Minister of Labour indulged in a few political barbs which were enjoyed on his side of the House and laughed at on the other side. However, it seems to me we are faced with the fact that the Leader of the Opposition and his party have themselves in a bit of a box. They made the statement, almost a threat, that the House would not leave until the mails are moving. That puts them in a spot now, even though there is some hope this might be done. Can they accept that hope and let us go, or do they have to keep us here day after day until the mails are actually moving again?

I would like to say that I would be prepared to refrain from casting any barbs at them for having changed their minds if they become responsible and agree to let this motion pass, and let Judge Gold get on with the job. I would also like to remind all members of the House—and I received the material from the Library just a few moments ago to confirm my memory—that we are dealing with a piece of legislation, namely the Public Service Staff Relations Act, under which the present strike is taking place and which was agreed to unanimously. It is not to be called Liberal legislation; it was supported by all parties in this House, and at that time there were four. As a matter of fact, there were no recorded votes in the House at any stage with respect to that legislation.

In those days we had an additional stage which we do not have now. We had a resolution preceding the introduction of the bill. It was debated in committee of the whole and supported unanimously. Then came second reading, it was debated, and supported unanimously. I have the relevant page of *Hansard* right here on my desk. It was then sent off to a special joint committee of the Senate and House of Commons and considered at great length. I remember the experience very well. David Lewis and I were the members of our party on that committee. One of the leading spokesmen for the Progressive Conservative Party at that time was Dick Bell, who had very strong views. However, we found the give and take and back and forth in that committee a very useful experience.

May I say we had several votes in that committee as we moved amendments, and had them accepted or rejected. However, when that committee finally reported the bill with amendments, it came back to the Committee of the Whole House, was considered again and no more amendments were made. It was then debated at third reading and passed without a recorded vote.

● (1610)

The Public Service Staff Relations Act, more so than many pieces of legislation, clearly represented the will of the whole of Parliament at that time. The Senate agreed to it as well, very quickly; they had no votes over there and some of their members were on the joint committee.

For people to argue now that we should deny the rights which Parliament gave so unanimously to public servants is hardly playing the game. Therefore, I hope this will not be looked on as a partisan matter. I know the arguments that come up when a strike is prolonged and so on. I support the position taken by the government that this is not the time to talk about back-to-work legislation. This is the time to leave it to them as though they have to settle it. If we stay here, that will not be the situation. Therefore, I hope we will agree to the adjournment motion.

If I thought that by staying here we could get some legislation on other matters which I regard as important, that would put me in a dilemma but I would probably come down on the side of staying. We all know that if we stay we will be debating Bill C-48. What do we have? There are more than 50 report stage amendments and third reading after that. Although the debate on third reading is not supposed to come until fall, if we debate the report stage for a number of weeks it will be fall. I do not see any point in voting to stay here for the purpose of dealing with Bill C-48. There are too many things about that bill to which we object. We think that too many of our people, especially our northerners, are being defrauded in that legislation. To stay for that bill does not make any sense at all.

If I thought I could get action on some of the points that I raised today, such as inequalities and unfairnesses in the Public Service Superannuation Act, in the Royal Canadian Mounted Police Superannuation Act, and in the Canadian Armed Forces Superannuation Act, I would be glad to stay. If I thought I could persuade the Minister of National Health and Welfare to do something for women between ages 55 and 60 and between 60 and 65, if I thought we could get something a lot better for women between 60 and 65 than the spouse's allowance, I would stay. There is no sign of that. I regret it.

I think the way the government has put the country off with respect to pensions, by having a pensions conference a while ago from which nothing seems to have flowed and by telling us again today that there is a task force, is a disgrace. The task force has been around for a long time. We are told that the economy is strong, that there are billions of dollars around, and that there is money for some things when we want it, but that pensioners just have to wait. I regret that position very much. If by staying all summer I could make a speech on some aspects of the pension subject every day, I would be glad to stay. I do not see that happening. All that will happen if we stay is that we will continue to debate Bill C-48. We will get it closer to being passed, which my party is opposed to doing. In my view, our presence here will hamper the important negotiations in which Judge Alan Gold will be engaged with CUPW and with the officers of the Treasury Board. Therefore, I hope we can cool down and not be bound by things which may have been said in the heat of the past. I hope we can realize that it makes good sense for us to support the motion.

I do not think it is unfair to say as well that members of Parliament and their families have certain rights. I am not involved in this way at my particular status, athough I have grandchildren I would like to see. But I think it is worth considering younger members with their families whose holidays have been upset. This may sound strange coming from

me; I do not always plead the cause of members. A week ago tonight I made a speech the other way. The more I think of it, the more I wish I had made it a lot stronger, I wish I had been more effective, and I wish the hon. member for Davenport had had more supporters over on that side. That is gone; but all told it seems to me that reason, common sense and fair play suggest that it would be the better part of wisdom for us to get out for a while and, in particular, to let Judge Alan Gold do the job we want done for all the people of Canada.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, this particular debate follows a long parliamentary tradition. It is an adjournment debate which is strangely brought forward by the government at this point in time. I will comment on that in a few minutes.

Essentially the purpose of an adjournment debate is twofold. First, it is to provide for the recess of the House to a particular point in time.

Some hon. Members: To adjourn!

Mr. Hnatyshyn: I know hon. members on the government side are preoccupied. They sit there mute and silent and simply say, "aye, ready, aye" to whatever their leader does regardless of the stupidity of what he says.

Mr. Chénier: What do you do to your leader?

Mr. Hnatyshyn: I can understand their desire to get back to the comforts of home.

The second purpose of an adjournment debate is to allow individual members of Parliament, without constraint or without any limitation respecting the relevancy of any particular bill, to raise and articulate the grievances he or she has with respect to what is happening in Parliament, with respect to government policy, and with respect to suggestions they have which may aid the government of the day better to administer the affairs of the country. This latter responsibility on the part of parliamentarians is very important. It should be considered at this point in time. The fact of the matter is that there is no particular limitation on the extent of the debate and hon. members are given reasonable opportunity to express their points of view.

Every once in a while there are rules which reflect the fact that parliamentarians are sent here to represent their constituents and the interests of the public at large. I think there is a very interesting, ongoing phenomenon. It has been stated and generally accepted across the country that parliamentarians cannot work in a vacuum, that occasionally parliamentarians must be ready to serve in the public interest at times when the public interest determines and dictates it. I am rather proud that we in this party were prepared, unlike hon. members of the other parties in the House who wanted to get out into the country, to stay here and were successful in influencing the commencement of three significant events which took place in the postal dispute.

Up to very recently the government indicated that it was its intention to allow the postal strike to carry on all summer and into the fall. This was the position of the President of the Treasury Board. The government knows that at least certain hon. members of the House of Commons are concerned that there be serious and positive negotiations on the postal front. We have now influenced the government to take these negotiations seriously, and we have now seen the commencement of negotiations with mediation. The government and CUPW have indicated that they are agreeable to the mediation process, and an eminent Canadian, Judge Alan Gold, in whom we have the greatest confidence, has now been designated to act as mediator with the agreement of the parties.

A novel proposition was put forward by the Minister of Labour, who is a very unusual spokesman for the government in this particular debate because he has been shut out of almost every aspect of the negotiations on the postal issue. He simply has not been included in this matter so far, or at least he was not deemed to be appropriate for involvement in this issue. He now appears as the great spokesman of the Liberal party. But the novel proposition he put forward, which gives us all food for thought, is that somehow whenever there is a collective bargaining process going on between the Treasury Board and any public service union, Parliament should adjourn. Somehow he seems to think that because Parliament is sitting that will influence the negotiations. I think this is what he is saying. It is the most preposterous proposition ever put forward. The parliamentary secretary nods his head in agreement with me.

● (1620)

It is incumbent upon us to examine the real reason why the government wants us to adjourn this House. First, I want to point out the fact that when the adjournment motion came forward, it was debated for a limited period of time. The government then had an opportunity to consider whether it was really serious with respect to adjourning the House or whether it wanted to play games. Unfortunately, it took the latter option. The government revealed itself immediately upon the conclusion of the first day on the adjournment debate. It did not carry on with the adjournment debate. Today the government members have been heard to say that they want to get out of here. They had the opportunity to carry on with this motion. It is the government which calls the orders of the day, not the opposition or the hon. member for Winnipeg North Centre. It was the government which decided to move into other government business. This was done notwithstanding the commitment which was given personally by the Minister of Energy, Mines and Resources to the hon. member for Etobicoke Centre. He was told that Bill C-48 would not be discussed until the fall.

Mr. Collenette: That is not true.

Mr. Hnatyshyn: The parliamentary secretary knows it is true yet he continues to protest. The fact of the matter is, when it comes down to the question of who I believe as between the hon. member for Etobicoke Centre and the Minister of Energy, Mines and Resources, I will take the hon. member for Etobicoke Centre every time.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The government has now been heard to say, "Let us get on with the adjournment". It had the option of carrying on if it had been really serious about this matter at the beginning of the week. The government decided to play games and it brought in Bill C-48. All this did was underline the fact that there are a number of serious issues which should be debated by the House of Commons.

Mr. Collenette: Name them.

Mr. Hnatyshyn: The hon. member for Winnipeg North Centre indicated that he, too, thought there were many pressing issues which should be brought forward. I agree with him on that point; there are a number of pressing issues which face our country. It does not hurt us to sit back and have the government inconvenienced once in a while, while pressure is brought to bear on it which will, in effect, bring forward legislation which will be beneficial to Canada, rather than the legislation and discussion which has been brought forward to date which will be detrimental to the people of Canada.

There is a matter which has been before the House of Commons on different occasions for which our party was severely criticized some time ago by the government led by the Prime Minister. This issue is one of the most serious matters, as far as I am concerned, which has taken place since the present Prime Minister has held office. It is an issue on which, on every front, the government has attempted to avoid its responsibilities. It is an issue which appeared again today on the floor of the House of Commons, one on which the government continues to stonewall. I refer, of course, to the very questionable and serious lack of action on the part of the government with respect to the uranium cartel.

I have never seen the government, and the Prime Minister in particular, look so bad in terms of their performance on the floor of this House at any time in my experience as a parliamentarian. The matter is a scandal, one which the government is feeling very sensitive about. It is the only time I have ever seen the Prime Minister go to such extraordinary lengths to conceal information from members of the opposition and the Canadian public.

I can well understand why the government wants to adjourn the House as quickly concealment which has taken place with respect to the political responsibility it should bear on the issue of the uranium cartel.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: I can understand why members opposite are shouting and attempting to interrupt what I am saying. This is a very serious problem, one which I take most seriously. The fact of the matter is members opposite are extremely embarrassed about this issue. It is one which they wish would go away. We remember what the Prime Minister said when we tried to question him in the House with respect to the uranium cartel. He told us to shut up. That was his response. Now he is trying to get rid of Parliament so that he will not have to answer any more questions from the opposition.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The uranium issue has been a particular thorn in the side of the government as the result of a very serious situation which was announced by the Minister of Justice in anticipation of the adjournment of the House. Only two days before the House was destined to adjourn the Attorney General was obliged to indicate that on his recommendation charges had been laid. It was a very convenient time for those charges to be laid. Parliament would be away for the summer recess and there would not be the questioning from the floor of the House, before television cameras and before the nation, with respect to the government's involvement in this matter. Legitimate questions with respect to the political responsibility of this government would thus be avoided.

The way in which this particular announcement was made was a very convenient—

Mr. Collenette: Look at the press gallery.

Mr. Hnatyshyn: To my knowledge the Parliamentary Secretary to the President of the Privy Council has only made one or two speeches off the seat of his pants. Unfortunately, the only time he really speaks is when he is sitting down.

Canadians are growing more interested in this cartel issue now.

Mr. Collenette: Even the CP stringer is not there.

Mr. Hnatyshyn: Mr. Speaker, the only thing the parliamentary secretary wants to do is interfere with the right of a parliamentarian to speak. If that is his view about the way in which Parliament should be run, I am afraid it is a very sorry commitment—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member for Saskatoon West has the floor.

Mr. Hnatyshyn: Thank you, Mr. Speaker; I appreciate your assistance in this regard. As Your Honour well knows, I always listen attentively whenever government members make their contributions. I would expect a reasonable courtesy on their part.

I wish to review briefly the history of this cartel. In the years prior to 1970 there was a slump in the industry. The reactors were going up but the short-term demand was flat. The Americans restricted access to the U.S. market. Maybe I can best describe the circumstances with regard to what was happening by referring to an article by Mark Gayn of the Montreal *Gazette*, who wrote:

> The secret planning began in 1971. Joe Greene was the minister of energy, and the deputy minister was Jacob "Jack" Austin, later a principal aide to the Prime Minister Pierre Trudeau and now a Senator.

Summer Recess

From Ottawa's point of view, there were two reasons for going ahead with the scheme:

First, there was a slump in the uranium mining industry.

Second, the United States, also going through a period of glut, declared an embargo on imports of uranium. There was fear that the Americans might begin dumping their stocks in the world market, and thus undercut the already threatened Canadian uranium industry . . .

In the even these fears were vastly exaggerated. In Ottawa, specialists kept advising the government that the slump was temporary and that as new reactors went on stream the demand for uranium would soar.

One of these experts was William Gilchrist, who between 1958 and 1975 was president of Eldorado Nuclear . . .

● (1630)

This is a Crown corporation. He was answerable to the former minister of energy, mines and resources, Mr. Greene.

In a deposition made in Toronto for the U.S. District Court of Virginia on September 16, 1976, Gilchrist testified under oath that from the early sixties on he had expected the prices to begin rising around 1973, at the lively clip of about 17 to 22 per cent a year. He said in his deposition that the government agreed with his view.

He said that the government agreed with his view.

Nor was the fear of uranium dumping by the Americans any more valid. The Americans did not dump; they took advantage of the cartel to raise their own prices; and U.S. utilities even made some purchases from Canada, anticipating a lifting of the embargo. It was eventually raised.

The article goes on:

Austin's handprints, all marked 'Secret' or 'Confidential,' seem to be spread over the early history of the cartel. He cajoled or browbeat Canadian producers into joining the combine, he negotiated with foreign producers and governments, and he presided over some of the cartel's secret meetings.

After Austin left, he was replaced as the Canadian overseer of the cartel operations by Gordon MacNabb, assisted by O. J. C. Runnals, a senior uranium expert who acted as a transmission channel to and from the cartel secretariat in Paris.

The article goes on to point out that:

Living in fear of U.S. anti-combine laws, Gulf was most eager to join the cartel, but it wanted to be seen as having been dragged into it, kicking and screaming. One of its officers even told the congressional sub-committee in Washington that Ottawa's pressure on Gulf Minerals was such that a 'push was turning into a shove'.

It goes on to point out that in april of 1972 the principal actors were France, Britain, South Africa and Australia.

In April, 1972, all these people met at the French Commissariat à l'énergie atomique at 31 rue de la Fédération in Paris. They set up a secretariat concealed behind the innocent name of Uranium Market Research Organization . . .

The Club was to gig the price of uranium and to decide on the quota assigned to each producer country . . .

The cartel also agreed on how it was going to make phony bids.

That is the essence of the cartel arrangement which was entered into by officials representing the Government of Canada, along with representatives from other uranium companies around the world and other government agencies.

Canada did take a lead role in forming this international cartel. In the aftermath of the cartel, according to the information that we now have with respect to Canadian interests, it is alleged to have affected prices to domestic consumers in Canada between 1970 and 1978. I think those dates are very significant and important with respect to the history of this matter.

We all remember the history in terms of what the reaction of the government has been and the attitude which it has taken with respect to this arrangement over the years. In the first place, I should point out that this arrangement in the cartel was born and created in the utmost secrecy. There was an element of secrecy and confidentiality which pervaded the whole setting up of this cartel. There was no public announcement about the arrangement of an international marketing agreement, as one might have expected, which would have been similar to what has happened in terms of the international wheat agreement, where the discussions are confidential, but in each and every instance there is publicity with respect to the meetings, and a release made on every occasion as to the conclusions arrived at by the participants of those marketing arrangements.

Second, what happened was that a gigantic lawsuit, the Westinghouse action, was commenced in the United States. This anti-trust matter was initiated with respect to the cartel operations and the effect that the cartel had on prices paid by American consumers. There were substantial amounts claimed in these actions under the American anti-trust laws. There was very substantial apprehension, of course, with respect to the consequences on the Canadian uranium industry as a result of this particular anti-trust action.

I think it is important to remember the dates. The response of the government was to pass what I would term unprecedented orders in council; unprecedented in the sense that these orders in council, passed under the provisions of the Atomic Energy Control Act, in secret, without parliamentary examination, did a couple of things. One, it was made an offence for people in Canada to deliver documents, inside or outside of Canada, related to the activities of the uranium cartel and uranium exports.

The second thing the government did was to make what I call a gag order. It is extremely important to understand the gravity of this whole matter. This regulation by government, unilaterally imposed, made it an offence for Canadians to even discuss the operation of the uranium industry with respect to their marketing activities. I am talking about Canada, not some dictatorship, not some country in which there is not a democratic process. This was the Liberal government, in Canada, passing that kind of law which, in effect, made it an offence for Canadians to even talk about what was happening in terms of the marketing of uranium. I simply ask Your Honour and the Liberal members who are listening to consider the importance of what I am saying.

Mr. Ouellet: It was done to protect workers in Canada.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: For the first time since I have been in the House, the spokesman for the consumers of Canada has at least said something on behalf of the consumers. I have never seen him act on behalf of consumers in this country.

There are other things that happened. At the time that regulation was discovered by members of our party, our party

commenced an action attacking the validity of those regulations as being offensive, oppressive and contrary to the principle of natural justice we have come to expect in Canada. I think it is interesting to remember exactly what happened after that action took place, because today, to hear the Minister of Consumer and Corporate Affairs (Mr. Ouellet) stand in his place and suggest that this government, vigilant as ever, moved as quickly as possible with respect to its responsibilities regarding price-fixing in Canada, seems to imply that the government did it on its own volition. As demonstrated by the facts, the only reason there was any action on the part of the government was because of the legal action commenced by members of our party to force the government—

Mr. Ouellet: A farce.

Mr. Hnatyshyn: —to open up its files with respect to its implication in this cartel. That is the only reason.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The government was not going to gag the opposition as it wants to gag the opposition now by getting rid of Parliament. We demonstrated that we were prepared to stand on hard issues in the interests of the consumer of our country—

Mr. Ouellet: What a joke, a big joke.

Mr. Hnatyshyn: —at a time when the Minister of Consumer and Corporate Affairs remained mute and did nothing on behalf of consumers.

Mr. Ouellet: That is what you did when you were minister. You did nothing.

Mr. Hnatyshyn: As a member of the cabinet, he clearly took no action. When the Prime Minister (Mr. Trudeau) admitted on the floor of this House that in 1975 the impact of the cartel on domestic prices became known to the government, that was on admission of culpability, in my view. The Prime Minister has admitted that in 1975 the government learned of the impact on domestic prices. He admitted, as well, and it is shown by the record, that the only time the government started to act was after pressure by us in 1977, when it initiated an investigation.

An hon. Member: How can you lie like that and not blush?

Mr. Hnatyshyn: I can always tell that I am getting through to members of the government side when they resort to unparliamentary language. I think so little of that intervention that I am not even going to pay attention to it, because the fact of the matter is that it is patently absurd, as the hon. member knows.

Mr. Kempling: That is the only time he speaks.

An hon. Member: I am not going to say any more.

• (1640)

Mr. Hnatyshyn: In 1977, the director of combines commenced his investigation, and this took some four years to complete. A report has been given. The Attorney General and Minister of Justice (Mr. Chrétien) considered the report and the recommendations. We now find that six companies, including two Crown corporations, have been charged. The charge is not that they engaged in a cartel for purposes of controlling the price in an export market. These charges are that they conspired, each with the other, for fix prices domestically. In addition, there were the phony bids to which I referred earlier, the gigging up of prices to which I referred earlier, all of which affected the Canadian consumer. Those are the facts. One thing the government cannot avoid is that charges have been laid.

We have a number of concerns with respect to this cartel. Our concern is, of course, with respect to the effect on the Canadian consumer. We are not worried about the attempt the government might make to aid an ailing industry. We are not concerned about protecting Canadian industry against foreign tribunals. We are prepared to take our position on that matter. We are concerned about the government's decision to use a secret bid-rigging cartel making no provision to protect the consumer. The Minister of State for Mines (Mrs. Erola) should pay attention to this because she has some particular responsibility. We are concerned about a situation when in secret, against the law of our country, we have a situation where Crown corporations are now charged with breaking the law of Canada by involving themselves in price-fixing operations affecting the cost of electricity to Ontario consumers, a province from which the Minister of State for Mines comes. She should be particularly concerned about the cost of her electricity bill.

We are also concerned about the actions by the government and its senior officials as well as the political responsibility that must follow those actions. We are concerned because there appears to be now, on the part of the government, a cover-up and some stonewalling. Most important in parliamentary terms, because this is the forum in which we operate, there is a refusal to acknowledge ministerial responsibility.

What is the situation that we have today? Two Crown corporations are charged. One of those Crown corporations, as I have pointed out on different occasions, is Uranium Canada Limited. This company is just a shell. It has no staff. All but one of the directors and officers currently are senior officials from either the Department of Energy, Mines and Resources, the Department of Finance or the Department of Industry, Trade and Commerce.

If hon. members read the 1980 Annual Report of Uranium Canada Limited, they will find that the present incumbents to positions in that corporation include Mr. Gordon M. MacNabb, president, who is also the president of natural sciences and engineering research council and a former deputy minister for the Department of Energy, Mines and Resources. Then we

find the senior assistant deputy minister of the Department of Energy, Mines and Resources, the senior assistant deputy minister for the Department of Finance; assistant deputy minister, Department of Industry, Trade and Commerce; senior adviser, legal, Department of Energy, Mines and Resources, adviser, uranium and nuclear energy, Department of Energy, Mines and Resources and a professor of energy studies, University of Toronto. These are senior officials, not only from the Department of Energy, Mines and Resources, but other departments which are fully involved in the operations of that particular Crown corporation.

Because this company is a shell, there is no staff. The operations of the company are being carried on by officials and members of the Department of Energy, Mines and Resources. They are fully aware of what is happening with respect to this company's operations.

Under the terms of its incorporation, what this company does is subject to order in council. I simply point out to members of the House when the government attempts to suggest there is no government involvement that every time a Crown corporation, such as Uranium Canada Limited, takes any step, the government has to pass an order in council on the recommendation of the minister. There is a responsibility here directly to the cabinet which has the authority under our parliamentary system to pass orders in council.

Eldorado Nuclear Limited is another Crown corporation which reports to the Minister of Energy, Mines and Resources. He takes responsibility for answering for that corporation. He follows it. I know from my own experience that I was briefed on what each company was doing, and I am sure that practice was the same during the period 1970 to 1978.

There are two unindicted co-conspirators who are named in the charge as well. These are Mr. Gordon MacNabb, whom I have already mentioned, and Mr. O.J.C. Runnalls, who was a uranium adviser. My colleagues and I want to speak about that later on.

The government's response thus far has been the most curious evasive action I have seen on the part of the government during the time I have been here. It gets curiouser and curiouser, as Alice said. There has been a refusal to acknowledge whether the unindicted co-conspirators, Messrs. Runnalls and MacNabb, have operated with government authority. This was the simple question I asked the minister of which I gave him notice. He has been put on notice with respect to all of these questions. But the Minister of Justice refuses to tell us whether or not these two gentlemen were operating within the authority of the government or whether they were operating outside that authority. That is not a difficult question to answer.

When I questioned him about whether the government will provide legal advice to these two public servants who have been operating in a senior capacity in the Department of Energy, Mines and Resources and who are enjoined and named as unindicted co-conspirators in this particular operation, I was refused answers. The government has refused to release any information as to the basis on which it laid charges and how it was decided who should be charged and whether or not any individual persons should be charged. In this instance, I think of the harbour dredging case where officers of the company were charged.

An hon. Member: They are in jail.

Mr. Hnatyshyn: Why were no individuals charged in this case? What does the government have to conceal? Why can we not get some information from the government as to the basis on which charges were laid? The government has refused to explain why it did not take steps to protect the consumers of Canada. The government is waffling and back-tracking on questions about when it knew this price fixing impacted domestically. All it has told us is that in 1975 the government became aware of it. There is a refusal to explain what happened and what action the government took or did not take. What about the question of when the notice of the impact on domestic prices took place? There is a refusal to repeal the gag regulations. They are still in effect.

It cannot be argued that somehow gag regulations are required because for all intents and purposes the legal proceedings outside of Canada are finished. The only protection that can be afforded by this order in council is with respect to keeping documents away from any domestic prosecutions or lawsuits that might be commenced in Canada. That seems to me to be the only reason the government wants to keep these gag regulations in force. Why does the government not repeal the order in council at this time?

I want to come now to the fundamental question of what this issue is all about. On a number of occasions I have raised questions on the basis that we are witnessing an attempt on the part of the government to avoid what I call parliamentary and ministerial responsibility. Just for the edification of the Minister of Consumer and Corporate Affairs in particular, I refer to MacGregor Dawson's book "The Government of Canada", fifth edition, revised by Norman Ward. We read there:

> The minister at the head of every department is responsible for everything that is done within that department; and inasmuch as he will expect praise or assume blame for all the acts of his subordinates, he must have the final word in any important decision that is taken. Only if the minister can clearly demonstrate his initial ignorance of the offending act and convince the House of the prompt and thorough manner in which he has attempted to remedy the abuse can he hope to be absolved from at least opposition censure. R. L. Borden, when leader of the opposition, aptly described the ideal situation as follows:
>
> A Minister of the Crown is responsible, under the system in Great Britain, for the minutest details of the administration in his department; he is politically responsible, but he does not know anything at all about them. When anything goes wrong in his department, he is responsible therefor to Parliament; and if he comes to Parliament and points out that he entrusted the duty to an official in the ordinary course and in good faith, that he had been selected for his capacity, and ability and integrity, and the moment that man has gone wrong the Minister had investigated the matter to the full and punished that man either by degradation or dismissal, he has done his duty to the public. That is the way matters are dealt with in Great Britain, and it is in that way, it seems to me, that our affairs ought to be carried on in this country.

● (1650)

There is a very appropriate lesson for all of us with respect to ministerial responsibility which I want to relate to what

happened in this case. The government has consistently refused to acknowledge any implication or involvement.

Mr. Althouse: On a point of order, Mr. Speaker. I wonder if the hon. member would entertain a question at this time, or does he prefer to wait until he has completed his remarks?

Mr. Hnatyshyn: I would be glad to entertain a question at the end of my remarks, Mr. Speaker.

Mr. Rossi: He was never any good at answering questions, even when he was a minister.

Mr. Hnatyshyn: At least some of us attained the position of minister, but some never will.

The Acting Speaker (Mr. Blaker): Order, please. I am perfectly willing to accommodate the hon. member whose right it is to determine whether or not he wishes to entertain a question. Will he advise the Chair whether he wishes to or not?

Mr. Hnatyshyn: Go ahead.

Mr. Althouse: I wonder if the hon. member would enlighten the House as to whether he considers himself, having been a minister, as being equally culpable in this matter since he has just outlined the responsibilities of ministers.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I can tell the hon. member one thing. As far as we are concerned, without the help of the NDP and the Liberal coalition, which the hon. member is aware of, familiar with and supportive of on a number of issues, including the Constitution, if we had been in power this matter would have been resolved to the satisfaction of the public. There would have been no concealment by our party. We take our responsibilities seriously. What is happening here is an attempt to cover up and deny responsibility on the part of this government.

Mr. Masters: Answer the question.

Mr. Hnatyshyn: I have answered the question. There would be no cover up as far as we are concerned. The member knew nothing of cover ups until he supported this government for a while.

Some hon. Members: Oh, oh.

Mr. Hnatyshyn: Mr. Speaker, could we have a little order in the House? The fact is that the member never speaks. he never does anything except vote in favour of the government.

There are a number of indications that the government was fully aware of the operations of this cartel and the impact that occurred. There is in the public record a Gulf memo of March 8, 1974, which indicates that energy, mines and resources officials recognized that Canadian utilities must be prepared to pay the export prices. That is the fixed gate price.

Second, as I have indicated, the companies initially were very concerned about the effects of the combines law. They were given assurances by this government that no action would be taken with respect to this question of combines law as long as it was in power.

The third indication was that the cabinet apparently discussed the possible domestic consequences with the cartel. The simple fact is that Messrs. MacNabb and Runnalls are now named as co-conspirators. The Minister of Justice can say that they do not stand accused of anything, but as far as this is concerned, they are accused of being co-conspirators.

I can understand why the government wants to adjourn. It is embarrassed. It is therefore attempting to get Parliament out of Ottawa. It wants to shut down for an extended period of time. During the time the Prime Minister is entertaining the other leaders of the western industrialized world, he does not want questions on the floor of the House about the participation of this government with respect to a cartel and the responsibility it bears in that connection. I can therefore understand why the government wants Parliament out of Ottawa.

We take our responsibilities seriously in terms of the role of the opposition. Our responsibility is to ensure that it cannot be perceived in this country that anyone, including the person who holds the highest political office in this country, is above the law.

Second, we have a legitimate interest in terms of finding out exactly what the political responsibility is with respect to this matter. We should learn from what has happened in the past and indicate that that action is not acceptable as far as political activity in this country is concerned.

I have outlined some of the incidents and the background. This is a vital issue because it goes right to the heart and credibility of this government. I say in all sincerity and with a sense of sadness that there is a heavy smell of scandal regarding this matter. The people of Canada are entitled to the information with respect to the political activities of this government and what action it took as soon as this matter was brought to its attention.

An adjournment will clearly take the pressure off this government. It will not be subject to questions on the floor of the House of Commons and it will not have to discuss ministerial responsibility. This issue is making the government very nervous. As I have indicated—

Mrs. Erola: On a point of order, Mr. Speaker. I would like to ask the hon. member if he has any knowledge of how many jobs were saved by the actions of this government.

Mr. Beatty: The whole cabinet.

The Acting Speaker (Mr. Blaker): I was going to indicate to the hon. member that his time had expired. I can only permit him to entertain a question with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Jean Lapierre (Shefford): Mr. Speaker, as far as the speech of the previous speaker is concerned, I would like to point out that since the question period early this afternoon, he has been making vague accusations, using words such as cover-up and stonewalling, saying that there is a bad smell of scandal and trying to implicate an honourable and respectable senator. I feel that he is taking undue advantage of his parliamentary immunity to question the integrity of someone who is not here, who cannot defend himself in the House and who cannot rise on a question of privilege. Mr. Speaker, if the hon. member for Saskatoon West (Mr. Hnatyshyn) or any one of his colleagues are not drips and are really serious about their accusations, they should not only rise in this House, where they know that they are very well protected, in an attempt to injure the reputation of the government and of individuals, but also make the same accusations in a direct and straightforward manner outside the House before the press. I believe that members opposite are trying to create bogus scandals and that is why they would like the House to continue to sit, because they will not have the guts to repeat their charges and innuendos outside the House.

Mr. Speaker, the discussions and speeches that we have heard from members opposite lead me to believe that they do not have much to do except try to tarnish reputations without good reason. I believe that the House should adjourn as soon as possible because we have the impression that they are being over-critical to no avail since they use the House of Commons to protect themselves. As for the uranium case, I believe that if Senator Austin or anyone else had been directly involved, he would not have been spared by the investigators.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the hon. member for Shefford, but it is now five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Châteauguay (Mr. Watson)—External Affairs—Southeast Asia—Abuses of human rights; the hon. member for Athabasca (Mr. Shields)—Energy—Future of Alsands project at Fort McMurray, Alta. (a) Possible commercial arrangement with oil companies; the hon. member for Kindersley-Lloydminster (Mr. McKnight)—Canadian Wheat Board—Query respecting initial wheat prices for new crop year.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely notices of motions (papers), private bills, public bills.

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Orders Nos. 22, 5, 4, 35, 43 and 1 allowed to stand by unanimous consent.

APPLICATION OF FEDERAL LAWS IN VARIOUS PROVINCIAL COURTS

The House resumed, from Thursday, April 2, 1981, consideration of the motion of Mr. Herbert:

That an Order of the House do issue for copies of all correspondence, minutes of meetings, studies and other communications of the Department of Justice relating to the comparison of the application by the various provincial courts of federal laws.

The Acting Speaker (Mr. Blaker): I must draw to the attention of hon. members the fact that the hon. member for Vaudreuil (Mr. Herbert) is not present in the House and that the motion cannot be withdrawn in his absence except by adjourning debate on the particular motion by unanimous consent. I am not sure whether other hon. members want to pursue the debate or not.

Mrs. Appolloni: Mr. Speaker—

The Acting Speaker (Mr. Blaker): I will recognize the Parliamentary Secretary to the Minister of National Defence (Mrs. Appolloni).

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the motion gives us an opportunity to discuss the general subject of disparity in sentencing by judges in our criminal courts. Members of the public and others who were not able to gather full information on criminal cases have to rely on reports in newspapers and the other media for information on sentences. Such reports inevitably are condensed and cannot cover all the facts of a case. They cannot describe all the circumstances of a crime, and they cannot portray the background and criminal record of an offender. The information which is available to the public at large is necessarily incomplete, so when apparently similar offenders are reported to have received widely different sentences for apparently similar crimes, these may not be examples of disparity at all, for the offenders may not in fact be

similar at all. Neither may the crimes be similar at all in their circumstances, the value of property stolen or the degree of injury caused to a victim. It is not possible to judge whether disparity in sentencing really exists or the extent to which it may exist across Canada from the incomplete information presented in media reports.

Differences in sentencing from time to time and from place to place at the same time are entirely to be expected. Indeed, such differences are normal reflections of the differences in sentencing requirements from one court to another and from one time to another. One can imagine in a small community a wave of vandalism occurring caused by a few offenders. In that community and at that time the judge may decide, and properly so, that deterrent sentences of punishment are needed to discourage others from committing vandalism. In another town or at another time vandalism may not be a problem, and a judge sentencing an offender may feel that considerations other than general deterrence can form the basis for an appropriate sentence in that case and may see a fine, probation or community service as the best of the alternatives. So as crime conditions in a community change, so the sentences for similar crimes may have to change, depending on the view the judge takes of the seriousness of the crime situation and the chances of deterrent sentences influencing or discouraging other people from committing crimes.

I am sure we all recognize that sentences imposed in one place are quite likely to be different from those imposed in another, even for similar crimes. Sentences are neither expected nor supposed to be exactly the same across Canada. Rather, appeals against sentences in criminal cases are decided in the provinces where judges in appeal courts are more familiar with the local conditions and can reflect the feelings of the public and concerns about the crime situation in their sentences.

It is interesting to reflect on the fact that despite the expectation of variation from province to province in particular cases, a study of the leading cases in sentence appeals across Canada shows a remarkable consistency. I refer to the consistency in principles which have been enunciated by the learned judges in appeal courts in dealing with sentence appeals. In every province, these leading cases have declared the principles on which an appropriate sentence is to be determined, and these principles are the same in Newfoundland as in Ontario and the same in Quebec as in British Columbia. It is indeed a remarkable fact that while sentences for the same crime, or apparently the same crime, may vary from province to province, the principles on which those sentences are imposed are the same.

Among the principles which are applied in every criminal court in Canada when offenders are being sentenced are the following four main ones: first, the legal gravity of the offence proved against, or admitted by, the offender. This, of course, determines the upper limit of the sentence in accordance with the penalties laid down in the Criminal Code of Canada. Second, the circumstances of that particular offence—the degree of injury caused to the victim or the value of goods dishonestly obtained or damaged. Third, the circumstances of the offender—his background, including any previous criminal behaviour, his lifestyle and his prospects for the future. Fourth, the public requirements in such a case—does the public require protection from the offender by prison sentence, or can public outrage be satisfied by a sentence served in the community?

Naturally, when these main principles are taken in combination, several sentences may seem to be appropriate. And other principles—such as the prevalence of that type of crime in the community—are also considered.

The variations in sentences spring from the different perceptions of the local community expectation and needs for sentences. In one place deterrent sentences may be needed while, in another, given different conditions of crime and public feeling about crime, rehabilitative or community-based sentences may suffice. We can see that what is sometimes called disparity is really no more than the expected variation in sentences reflecting local conditions and the needs of the local community.

Another reason for the so-called disparity in sentences may arise in other types of cases. Let us consider a hypothetical example of a young, unemployed, married man who commits a breaking and entering. He is caught in the act. He pleads guilty and is found to have three previous convictions for theft. Such a man is a marginal case for sentencing. One judge reviewing the facts may decide that on balance the offender could still benefit from, say, the supervision of a probation officer and, by careful control, could be encouraged to lead a good and useful life. Another judge reviewing an exactly similar case may take a slightly different view. He may think that the offender is marginally too involved in crime to risk probation, that, rather, a short prison term may be expected to pull him up short and that this, on balance, is marginally more likely to help him lead a good and useful life in the future.

Each judge wants the same result; the balance between the choices of a long probation or a short jail term is marginal. One judge choose one way; one the other. Each may be right in the outcome: the offender does not commit crime again. One cannot term such variations in sentences "unwarrantable disparity". Rather, such variations are the normal differences in opinion, in perception and in decisions which reflect the careful consideration of a problem and the search for a solution. Here indeed we can truly say that wise men may differ in the solutions they find.

Let me take this example a little further. Suppose the judge who decides to sentence this hypothetical offender to a short prison term takes another factor into account. In his area he knows that the probation service is overworked, and in this particular case he believes that to succeed on probation the offender would need careful and intensive supervision, which just cannot be provided. In such a situation, we would not be surprised at all to read that a prison term was imposed, because the judge must take into account the necessary protection of the public. Nor would we be surprised about a long sentence of probation supervision being imposed by the other judge in an area where the correctional facilities are over-

crowded, no adequate training programs are in place in the prisons, and where probation supervision being imposed by the other judge in an area where the correctional facilities are overcrowded, no adequate training programs are in place in the prisons, and where probation supervision is sufficient to assure the safety of the public.

● (1710)

It is clear, Mr. Speaker, that much of what is referred to as disparity may arise from an awareness on the part of judges of the conditions in the local area of prison overcrowding, or of overworked probation officers. Further disparity may arise where a program is not available at all to the judge. For example, there are many areas in Canada where there are no programs of community service or of supervised restitution to the victim.

Another illustration may be found in fine option programs. These programs permit an offender who cannot pay a fine to work instead of going to prison. Judges who have fine option programs in their area can, with more confidence, sentence an offender to be fined, knowing that if he eventually cannot pay, he can still serve the community, working off his sentence in the community. Judges who do not have access to this program may decide it is in the offender's interest to send him straight to prison for a period commensurate with the fine which might have been imposed, rather than delay the inevitable. In such a case, the offender may benefit by having the matter concluded as quickly as possible.

The variation in the availability of these different sentencing options, and others, such as intermittent or weekend prison sentencing, or psychiatric or psychological services to probationers or prisoners, leads inevitably to variations in sentencing practice from one area to another. These variations can be reduced only by the provision of the support programs on which they are based. This may itself be impractical, by reasons of geography, population, local working conditions and so forth. Nonetheless, we can welcome the extension of the programs to different areas, as their value is demonstrated and as facilities become available, as one further way to reduce certain disparities in sentencing.

Thus far, Mr. Speaker, I have referred to variations in sentencing which, when all the facts become known, are explainable in rational, principled terms. There are, however, some residual cases where the sentences imposed are, apparently, widely different, and where the sentences are so extreme that they are not, apparently, explicable in terms of the normal variation. If the sentence seems too severe, of course, the offender can, and with the advice of his legal adviser would, appeal against the sentence. On the other hand, if the sentence is so light or inadequate as to be wholly out of proportion to the seriousness of the crime, the Crown may feel obliged to appeal. There seems little doubt that the appeal courts can, in such cases, do much to smooth out unwarrantable disparity. And, to judge by reported cases, appeal courts do, indeed, vary sentences when it is clear that the judge at first instance has gone wrong in the principle of the sentence imposed. The capacity of appeal courts in the provinces to remedy errors of principle is a most important guarantee in our system of criminal justice, one of which we can be justly proud.

Some people may still object that, despite the efforts of the courts of appeal, there are still a proportion of sentences imposed or confirmed on appeal which may show evidence of unwarrantable disparity. If such cases exist, I am convinced that they form only a very tiny proportion of cases in which sentences are imposed. So far as we can tell, there is only a very small proportion of appeals against sentence; naturally, from this one can infer that the group of cases which might be classed after an appeal as still unwarrantably disparate is indeed very small.

We may be assured, Mr. Speaker, that the judges themselves are very conscious of their responsibilities in sentencing. To ensure so far as possible that appeals are not required, because the sentences at first instance are warranted, understandable, and in accordance with clear and definite principles, judges across Canada are holding seminars in which they discuss sentencing problems. In this way, the judges can reflect on the problems and have the benefit of the advice of all other judges in the province on the most appropriate sentence to be imposed in particular types of cases. To assist judges further, I understand a sentencing handbook is in preparation, and this will be available to assist all judges by providing an account of the services available in their areas, and the programs and training facilities to which offenders may be referred.

On the basis of the information we have at present, Mr. Speaker, it seems that we in Canada are very far from the problems which are reported to be found in some jurisdictions in the United States. Sentences there are, of course, not usually subject to appeal. Often the sentences are indeterminate in length, between wide lower and upper boundaries set by the judge. Naturally, with so much latitude left to the judge, unwarrantable disparities have been described. Some jurisdictions have attempted to deal with the problem by mandatory or fixed term sentences. If an offender is convicted of a crime, say robbery, he serves the statutory sentence—perhaps, ten years. This system takes no account of the circumstances of the robbery; it might range from a well thought out, planned raid on a bank, with many thousands stolen, to a spur of the moment wallet snatch in the street where the victim is pushed over and only a few dollars stolen. For each of these crimes of robbery, the same sentence would be imposed under a mandatory sentence scheme.

This seems to be far worse than a sentencing process where all factors in the crime can be considered. Other jurisdictions in the United States have legislated guidelines where the discretion of the judge is narrowed. Sentences may vary only by a few months, no more than a year or so. These schemes, too, have run into problems and have, in some areas, had to be abandoned, often because of overcrowding in the prisons. It seems to me, Mr. Speaker, that the Canadian position is a good balance at present.

It is extremely unfortunate that we do not have at the moment enough information to satisfy ourselves that all is

well, and that all cases of unwarrantable disparity are, in fact, caught at the appeal stage and rectified. Nonetheless, the strong impression is gained from what information we do have that in general terms sentencing in Canada is a just, equitable, and fair process for the offender; and that the needs of the community are being well balanced against those of offenders. The judges are regularly considering among themselves the principles of sentencing and the factors they take into account in each case. The police report of the crime; the evidence brought out in court; the defence plea in mitigation of sentence; the pre-sentence report on the background and circumstances of the offender; the judge's perceptions of community requirements and local conditions: all these combine to give an appropriate balance in the final process of sentencing. The judges have, and rightly so, a wide discretion in sentencing. They are given a great deal of information on which to exercise that discretion and, if they err in principle, senior judges wait in the appeal court to correct any errors.

I feel, Mr. Speaker, that the Canadian criminal justice system is far from being unjust, unfair or capricious, but is rather a fine example of the common law tradition of equality before the law, of fairness, and of the appropriate balancing of competing interests by the principled exercise of judicial discretion. Indeed, we have much for which to be grateful to our criminal court judges.

Mr. Bruce Lonsdale (Timiskaming): Mr. Speaker, I would like to continue the discussion along the lines of some of the comments the hon. member for York South-Weston (Mrs. Appolloni) was making. However, first of all, I want to congratulate the hon. member for Vaudreuil (Mr. Herbert) for bringing to the attention of the House the question of the need for consistency and equality before the law for all Canadians.

The particular aspect of this subject on which I would like to concentrate this afternoon is the extent to which we are equipped to reach any conclusions on this important question. Earlier speeches have pointed to the important distinction which must be drawn between justified discretion in order to reflect local and regional differences, an unjustified disparity which leads to injustice and unfairness. Some statistics, mostly gathered by the national task force on the administration of justice, or by Statistics Canada, have been cited in this regard.

● (1720)

The point I should like to make this afternoon is one that has been made repeatedly over many years. The present state of criminal justice information and statistics in Canada makes it extremely difficult, if not impossible, to reach any valid or reliable conclusions on this question.

As long ago as 1938 the Archambault commission recommended:

> A complete revision of the method of preparing statistical information.

It went on to recommend:

> Provisions should be made for uniformity of statistical information in regard to all phases of the administration of the criminal law—

Some 31 years later, the report of the Canadian Committee on Corrections commented:

> In Canada as elsewhere the official statistics on crime are an uncertain measure of the actual number of crimes or the characteristics of offenders.

The commission went on to note:

> Unreliable reporting is not confined to victims but may be found at each official level. Individual police officers and police districts may report inaccurately or incompletely to their headquarters, which may in turn distort the figures through their own reporting practices. Similarly, court officials responsible for recording data and sending in reports may make incomplete or inexact returns to the central body compiling the statistics. The reader of the final published statistics usually has no empirical basis for assessing reliability. He cannot tell, for instance, whether a reported increment results from more actual crime, more efficient law enforcement, more zealous reporting, better record keeping, or some combination of these.

In its 1976 Report on Dispositions and Sentences in the Criminal Process, the Law Reform Commission of Canada summed up the problems resulting from the continuing lack of national statistics with respect to criminal justice in the following words:

> The state of statistics and information on the nature of crime and the administration of justice in Canada is simply deplorable. There is a clear agreement on this situation even by those charged with the collection and dissemination of data. Dispositions and sentences are especially vulnerable, since these now depend largely on beliefs on what are effective measures against criminal acts. The public, legislators, administrators, and judges are largely at the mercy of hunches in assessing the total picture of crime, and are forced to rely on their personal work experience. There are a great number of myths and misunderstandings in areas such as bail, leniency and sentencing and release on parole. Even where data are available they are not published in a form or with sufficient speed to check assumptions, mitigate exaggerations, or even more important, indicate pressure points and identify reasons for crises.

The continuing concern about this state of affairs on the part of both provincial and federal ministers responsible for criminal justice has resulted in a number of efforts to remedy the situation. Most recently, federal and provincial governments established the National Project on Resource Co-ordination for Justice Statistics and Information. This group reported in May 1980 the following:

> In Canada, nationwide information about crime is so fragmented, unreliable, untimely and varied that it is impossible to state, with any reasonable degree of confidence, conclusions about the state of crime or the justice system of the nation.

The report went on to outline a number of efforts which have been made in the past decade with respect to the broad problem of inadequate justice information and statistics, a problem which in large part derives from the split jurisdictions and fragmented nature of the criminal justice system in Canada. This was ably described by the hon. member who just spoke about the varying degrees of sentences, varying cases, and the mitigating circumstances surrounding decisions of judges in the terms of penalties they impose.

The national project on resource co-ordination went on to suggest the establishment of a Statistics Canada satellite in order to meet the needs for information which had been identified. The report recommended that all justice ministers and their deputies in each jurisdiction in Canada make a commitment and an appropriate allocation of resources to support and encourage the development of national justice statistics which are comprehensive, accurate and timely; the

development of management information systems; the collection of operational information, especially that relating to jurisdictional and sectoral expenditures and staff complement; that the deputy ministers in the justice field, together with the Chief Statistician of Canada, constitute a justice information council to establish the objectives of, and formulate policies and priorities for, an agency which should be responsible for developing national statistics and information. Also it set out the series of steps it saw as necessary to accomplish those goals.

Following the acceptance in principle of the recommendations of the NPRC, working groups were constituted of provincial and federal officials with specialized subject matter knowledge of the different sectors of criminal and civil justice statistics and information. These working groups have prepared program outlines which, when accepted by provincial jurisdictions, should provide mechanisms for the timely gathering of the necessary information in a comparable format.

Consideration is being given to the system of setting up a centre for justice statistics which will be a satellite of Statistics Canada to handle this work efficiently and effectively. The main task of the proposed centre would be to assemble, distribute and publish justice statistics derived from the responsible jurisdictions. The submitting jurisdictions, whether they be provinces or territories, would have the responsibility to provide the needed information in an agreed format and at an appropriate time. To aid the provinces and territories in setting mechanisms in place, the proposed centre would also provide a technical assistance service for the first few years. This service would be needed only until each submitting jurisdiction has developed a satisfactory mechanism and the essential information is found to be flowing smoothly.

These steps had to be instituted to correct the deplorable position to which I alluded earlier. Some very good examples of this were given by the hon. member who spoke last. The centre for justice statistics will be carefully evaluated over a three-year period to ensure that it is reaching its objective. It may, however, not be possible even after three years of intensive work to provide all the information needed by members of the House and the public to have a satisfactory appreciation of the justice system in Canada. Nor will the needs of policymakers and program managers be satisfied within the first three years. Indeed, it seems likely that the complexity of the work to be undertaken will require at least five years before we have the types of information so urgently required.

But the complexity of this task must not deter us from undertaking it. In particular, we have an urgent need for information that can assist us in a fundamental review of the Criminal Code which the ministers of justice, in co-operation with the solicitors general and provincial ministers responsible for criminal justice, will be undertaking shortly based on past and current work of the Law Reform Commission of Canada. Accordingly, selected research work will be undertaken with the co-operation of the provinces in the short term to provide information to support this work.

But the major point I wish to make this afternoon is that this very fundamental work must be undertaken before we will be in a position to reach conclusions about the extent of disparity as distinct from the extent of variation in the application of federal laws in Canada. While we do have some information—and other hon. members have made reference to it—it seems apparent we are not presently in a position to draw the kind of fundamental conclusions which some critics of the criminal justice system might draw. This is not a recipe for complacency; far from it. I have outlined some of the plans of the federal and provincial ministers responsible for criminal justice for remedying this lack of information.

I would also mention in this context the work of the national task force on the administration of justice to which reference was made earlier. In addition federal and provincial ministers responsible for criminal justice, as well as their deputy ministers, meet on a regular basis to review issues of joint concern in this field of shared responsibility. Similarly, the commissioners of uniform law gather on an annual basis to discuss many of the issues which bear on the basis of the motion before us today.

The elaboration of this intergovernmental machinery of co-ordination and co-operation has come about only in the past decade or so, with the exception of the uniformity commissioners. The increasing degree of co-operation between orders of government in this important field is evidence of the fact that clear recognition is given to the need to eliminate unjustified disparity in so far as possible within the judicial system of Canada. That this should be the case is not surprising. The central place of criminal law and criminal justice in our society, the need to ensure equality of access to the law and equality of treatment before the law, are principles of fundamental importance to all Canadians.

I have briefly mentioned the fundamental review of the criminal law which will shortly be undertaken under the leadership of the Minister of Justice (Mr. Chrétien). It is my understanding that this review will examine fundamental questions such as those raised by the hon. member in his motion in the sense that principles and objectives of sentencing will be the subject of intensive examination, as will all other aspects of Canadian criminal law. The kinds of concerns raised during this discussion will no doubt be taken into account by those responsible for carrying out this review.

The last point I should like to make in this connection concerns the role of the courts themselves in eliminating unwarranted disparity in sentencing. While it is true that no basic principles on sentencing appear in the Criminal Code itself and that general principles such as those indicating that "the punishment should fit the crime", or that the sentence should be broadly proportionate to the harm done, are so general in their nature as to be unhelpful in predicting precise sentences in individual cases, hon. members are no doubt aware of the fact that specific sentencing principles about what should be taken into account when sentencing an offender have been set out in leading cases from jurisdiction to jurisdiction in Canada.

• (1730)

Despite the fact that no appeal lies to the Supreme Court of Canada on sentence per se, the specific principles in many cases set out by provincial courts of appeal are broadly similar from province to province. By the declaration of these principles some attempt is made to limit the discretion of the sentencer further than that provided by the law itself. Sentencing judges, of course, have differing views on the purposes of sentences. Some judges sentence with a view to "doing the utmost for the offender" in a forward looking way, while others go strictly by some real but unstated tariff, fixing the sentence in relation to a retrospective look at the offence committed, without too much consideration to the future prospects of the offender.

To balance these differing approaches, appellate courts sit to consider too severe or too lenient sentences in an effort to strike a balance. The efforts of these appellate courts in this regard are aimed at ensuring that the objectives of sentencing in a particular case are consistent with the over-all aims of sentencing, which themselves should be congruent with the objectives of the criminal process and the criminal justice system itself.

Efforts in improving the quality of justice in Canada are continuing on the part of ministers and officials responsible for the administration of justice, and on the part of the judiciary. The development in recent years of sentencing conferences and seminars by organizations of judges are further evidence of the fact that the judiciary is keenly concerned with providing the highest quality of justice to Canadians. We in Canada have been well served by an independent judiciary of which we can be proud and which we hope will continue.

In closing, Mr. Speaker, I would like to express my appreciation for the opportunity to participate in this discussion and to thank the hon. member for bringing this important matter to the attention of the House and to the attention of all Canadians who are concerned about the criminal justice system in this country.

Mr. Collenette: Mr. Speaker, I would like to inform hon. members that the Minister of Justice (Mr. Chrétien) has elected not to make the customary five-minute speech under the provisions of Standing Order 48(2). He feels the arguments have been well made by members on our side this afternoon. Therefore, I would ask that you call upon the hon. member for Vaudreuil (Mr. Herbert) to conclude.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my objective in bringing this motion before the House was to illustrate, as I think has been well illustrated by all the speakers, that since the various departments of justice in the provinces are responsible for the administration of justice and the application of federal laws, there will be, inevitably, some inequalities. I believe the various speakers have illustrated the steps which have been taken and are being taken to attempt, as far as is possible, to eliminate these inequalities in the administration of justice. I feel that the subject has been well aired. I therefore ask, Mr. Speaker, to have the unanimous consent of the House to withdraw the motion.

The Acting Speaker (Mr. Blaker): The hon. member for Vaudreuil (Mr. Herbert) seeks the unanimous consent of the House to withdraw his motion. Is there unanimous consent?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Mr. Knowles: Six o'clock.

The Acting Speaker (Mr. Blaker): Is there a disposition to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At 5:34 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its "business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

The Acting Speaker (Mr. Blaker): Order, please. When the debate was interrupted at five o'clock this afternoon, the hon. member for Shefford (Mr. Lapierre) had the floor.

Is the House ready for the question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): The question is as follows: Mr. Pinard, seconded by Mr. Lamontagne, moved:

That, when the House adjourns on the day this order is adopted—

Shall I dispense?

Some hon. Members: Dispense.

The Acting Speaker (Mr. Blaker): Does the hon. member rise on a point of order? The hon. member for Edmonton-Strathcona (Mr. Kilgour).

Mr. Kilgour: Mr. Speaker, it will be abundantly clear what kind of a charade is going on in here. The government does not want to hear us talk about the uranium matter.

Some hon. Members: Order!

An hon. Member: The motion has been put!

The Acting Speaker (Mr. Blaker): Whatever the hon. member for Edmonton-Strathcona (Mr. Kilgour) may chose to raise, one thing that the Chair cannot tolerate is the imputation of motives. I would ask the hon. member, if he has a point of order, to reach the point of order.

An hon. Member: The motion has been put!

Mr. Kilgour: If Your Honour is going to come in at 30 seconds after eight—

Some hon. Members: Order!

The Acting Speaker (Mr. Blaker): For the second time, it is neither acceptable under the rules of the House that motives be imputed to hon. members anywhere in the House, nor is it acceptable that motives be imputed to the Speaker. The Speaker arrives at eight. If the hon. member has a point of order, I would ask him to get to it very quickly; otherwise, I shall read the motion.

Mr. Kilgour: Mr. Speaker, it is perfectly clear to everyone what is going on in here.

Some hon. Members: Order, order!

Mr. Kilgour: Mr. Speaker, this side is obviously not in favour of the question being put, and we have other hon. members who wish to speak with respect to the motion. I am one of them. I would therefore wish to speak on the matter.

Mr. Collenette: On a point of order. Your Honour has read the question. Your Honour has put the motion, and it is incumbent upon the Chair to put the question. Your Honour recognized the fact that the hon. member for Shefford (Mr. Lapierre) had the floor before five o'clock. He chose not to proceed. Your Honour then put the question. Your Honour is in the middle of putting the question, and I submit that Your Honour has no right to entertain any points of order. Your Honour must put the question forthwith.

Some hon. Members: Hear, hear!

Mr. Kilgour: I do not have to tell Your Honour that you know perfectly well that you have not put the question. Your Honour asked if you should dispense with reading, and at that point an hon. member stood up on a point of order. Obviously, my point of order is that we wish to continue this debate. The question has not been put, and we wish—I wish, indeed, to continue the debate. If the premise of the hon. member for York East (Mr. Collenette), the parliamentary secretary, is that the question has been put, he has just admitted—it is patently obvious that the question has not been put. Therefore, any hon. member in this House, I think it goes without saying, has the right to speak, and I wish to—

An hon. Member: Question!

Mr. Kilgour: No, the hon. member cannot call for the question until the question is put. The question has not been put, and I wish to speak on the matter.

Mr. Taylor: On a point of order. Mr. Speaker, when the debate ended this afternoon, there was an hon. member speaking. When we started tonight, the hon. member for Edmonton-Strathcona (Mr. Kilgour) was on his feet. Consequently, he should have been recognized, to continue the debate. The hon. member was on his feet, and he was not recognized. Therefore, he has the right to speak.

An hon. Member: That is not true.

Mr. Kilgour: Mr. Speaker, on a point of order, again. Mr. Speaker has been consulting with the Clerk. Would Your Honour wish to continue that consultation before I speak to my point of order? I wish to speak on the motion, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member has risen on a point of order. I would ask that he address himself to the Chair on a point of order.

Mr. Kilgour: My point of order, as mentioned—well, I will wait until Your Honour is finished.

Some hon. Members: No, no!

Mr. Kilgour: I do not dance for you fellows!

The Acting Speaker (Mr. Blaker): Obviously, the Chair is faced with a difficulty. I need not go through all the procedural aspects of this operation. I can simply indicate that what has happened is as follows: I asked whether or not the House was ready for the question. There was an indication that it was, and I began to read the question. Somewhere during the first few seconds of reading the question, I indicated that I would ask whether or not the hon. members wished me to dispense with the reading of the question. Having done that, there was some indication that I should dispense.

Mr. Kilgour: Not from this side.

The Acting Speaker (Mr. Blaker): It makes no difference from which side the suggestion to dispense comes. What is important is that hon. members later have the opportunity, after the question is put, to determine whether or not they object to the procedure or, rather, whether they object to the question.

I think I have to come to some solution. Either, on the first part, the conclusion that I would come to is that, having asked the House whether it is ready for the question, I should then proceed without the interruption of points of order; or, on the other hand, some way, through putting the question to the House, I should observe any hon. member who wishes to rise and put a point of order, and that that point of order might somehow or other affect the proceeding of putting the question. I have tried to have a little advice while I have been listening to the points of order, and I do not feel comfortable with the situation. Therefore, I will proceed as I think best, and I will have to live with the result.

It is my feeling that once the House is asked whether or not it is ready for the question, and the question has begun to be read, and at that point the question is put to the House or is in the process of being put to the House, hon. members have a perfectly legitimate and perfectly parliamentary and free opportunity to consider whether or not they accept the question. I think that gives those hon. members who may object to the question being put, a reasonable opportunity to declare that they do not wish the question to be put at this point. Therefore, I think, given the rights of all hon. members who may want to object to the question being put or who may want to vote against the question, it seems to me that we ought to continue in a procedural fashion; and those hon. members who are discontented can rise in their places in due course and express themselves.

I think I have to indicate—I thought I had just done so—that if I am in the process of putting the question to the House, I will not recognize a point of order. The hon. member has no end of opportunities, within seconds, to express his opinion. I do not see that it disadvantages him in any way to have the question put.

Mr. Taylor: A point of order, Mr. Speaker. Once again, this hon. member was on his feet, and if he is not recognized, it is nothing more than a dirty trick. He was on his feet before Your Honour started reading—

The Acting Speaker (Mr. Blaker): Order, please. I would ask the hon. member for Bow River to take his seat—

Mr. Taylor: I am in my seat.

The Acting Speaker (Mr. Blaker): —and only under such circumstances as he is recognized by the Chair, to stand. If there are hon. members who want to make a point on this—my view is that there is no question. Once I have asked whether or not the House is ready for the question and have begun to read the question, it seems to me that we ought to proceed.

However, I will listen for two or three minutes, or a few minutes, to perhaps two or three hon. members—and I would ask that hon. members be very brief—and then I will make a ruling on the decision, because I understand there are some hon. members who feel strongly about the point. I have heard the hon. member for Edmonton-Strathcona, and I will now hear the hon. member for St. John's East (Mr. McGrath).

Mr. McGrath: Mr. Speaker, I was not here, but it is my understanding—

Some hon. Members: Oh, oh!

Some hon. Members: Shame, shame!

Mr. McGrath: We know what is going on here tonight; but it is my understanding that the hon. member for Edmonton-Strathcona (Mr. Kilgour), at the moment Your Honour put the question, tried to get the floor. The hon. member nods his agreement. If that is the case, then I submit with great respect that Your Honour must cease and desist putting the question until you hear the hon. member. That is the point of order I wish to raise, because the hon. member tried to get the floor at the moment Your Honour put the question.

● (2010)

Mr. Taylor: Mr. Speaker, when you started the question—

An hon. Member: You were not here.

Mr. Taylor: Quiet down a minute. What are you trying to do? Are you trying to run this country with a steam shovel or something? Look at the rules.

The hon. member was on his feet asking for the right to speak before the motion was put.

An hon. Member: That is not true.

Mr. Taylor: And the hon. member has the right to speak even if the motion has been partly read. If a member stands up and expresses the wish to speak, he has that right. Hon. members should look at the rules.

I submit that the hon. member for Edmonton-Strathcona has the right to speak. He was on his feet. The Chair was not looking his way, but the hon. member for Edmonton-Strathcona was on his feet, and hon. members on the other side know it.

Mr. Collenette: Mr. Speaker, I think it is quite clear. Beauschene's fifth edition, Citation 217, reads:

> When the debate on a question is closed, and the House is ready to decide thereon, the Speaker says: "Is the House ready for the question?"

Which is exactly what you did, Mr. Speaker, a few minutes ago. The citation continues:

> If it is evident that no member claims the right of speaking, the Speaker proceeds to put the question by reading the main motion, and then the amendment or amendments in their proper order. He then takes the sense of the members of the last of these by saying: "Those who are in favour of the motion—

An hon. Member: You have answered your question.

Mr. Collenette: I submit, Mr. Speaker, that you are now in the middle of putting a question and any point of order, even the one on which I am rising, is entirely out of order. You have admitted by your own ruling a few moments ago, Sir, that you must put the question now.

Mr. Beatty: Mr. Speaker, there is a question of equity and fairness here.

Mr. Gauthier: Look who's talking.

Mr. Beatty: It is your responsibility as Speaker—

Some hon. Members: Oh, oh!

Mr. Beatty: We hear shouts of derision from the government side when we talk about equity and fairness. I do not have to talk to you about your responsibilities, Mr. Speaker. You are fully aware of them. You know full well that it is the responsibility of the Speaker to protect the rights of Parliament and to protect the rights of individual members of Parliament.

My colleague said he was on his feet prior to the commencement of the question. Even if there is a grey area, and even if there is debate or question as to whether or not the hon. member rose to his feet during the commencement of the question being put, as opposed to being on his feet prior to that, the question with which the Chair is faced is one of fairness. If a decision is to be made, is it to be made on the side of terminating the debate thereby depriving members of Parliament of the opportunity to be heard? Or is it the Speaker's responsibility to protect the rights of Parliament. And, in particular, to protect the rights of freedom of speech of the individual members of this House?

The Parliamentary Secretary to the President of the Privy Council just read from the rules. It is very clear from Beauchesne's Citation 217 that the Speaker is to put the question only if no member wishes to seek the floor.

We know now at this point, without the question having been put, that at least one member of Parliament seeks the floor.

Some hon. Members: Oh, oh!

Mr. Beatty: Let them shout on the other side. However, I do not think they will succeed in gagging Parliament because it is your responsibility, Mr. Speaker, to protect the rights of Parliament from an oppressive majority and from trickery. A member of Parliament, duly elected to this place, is seeking the floor to debate a motion that is before the House at the present time. It is clear that the question has not yet been put.

An hon. Member: You were not even here.

Mr. Beatty: A member is seeking the floor.

I submit to you, Mr. Speaker, that you have no choice, nor would any other incumbent in that Chair have any choice but to make the decision on the side of freedom of speech and on the side of the rights of an individual member of Parliament to be heard on an essential issue. To do anything else would be to deprive members of the most important function in this Parliament, which is here to talk about the issues facing the country. To take away that right from a member of Parliament deprives all members of Parliament. It is indeed a great undermining of the whole function of Parliament itself.

An hon. member seeks the floor. The question has not yet been put; I submit that, in fairness, in equity and in defence of the rights of Parliament, you will choose to recognize my colleague from Edmonton Strathcona, because there is no other option.

Mr. Fleming: Mr. Speaker, I wanted to point out that I was here when the bell rang, as were a number of other members on this side. When we came into the House there were two members on the far side of the House. As I understand it, the rules are the rules and you cannot roll back history any more than you can roll back a vote taken in December, 1979.

The fact is, Mr. Speaker, that you came into the Chamber and took your chair. The bells started. We came in. When a certain number of members are in the House, the bells stop. You rose, you went to recognize the hon. member who was speaking at five o'clock. That member did not rise. Some voices on this side said, "vote, question, question." You rose and said "Is the House ready for the question?" There was no voice from any side of the House opposed to the question. Therefore, you rose and began to read the question, at which point the hon. member rose. Those are the rules of the House. That is what took place. You cannot roll back history. I must say that if anyone is good at working edges, rules and points of order and other games in this House, it is members on the other side and not members on this side of the House. We were here and we work within the rules.

Mr. Taylor: Look at the sneaky way you do it.

Mr. McKnight: Mr. Speaker, I was not in the House.

Mr. Deans: Sit down then.

Mr. McKnight: And I agree with members on the other side, I was not in the House. But I happen to have available to me cable television. If you want to go into sport, and I do not think you want to, sir, but occasionally referees and umpires have reviewed the electronic media. I came into this House when you were standing and I saw you put the question, but heard an hon. member saying "Mr. Speaker, Mr. Speaker". I am sure that you would like to review electronic *Hansard* or the video of the proceedings of this House, and following that you would then arrive at a fair decision. I know that in your capacity you would not want to deny any member of this House his right to be heard on an issue that is very important to him and his constituents.

Mr. Baker (Nepean-Carleton): Mr. Speaker, to begin with I would like to say that I have never in my life, or in the ten years I have been a member of this place, seen a government so anxious to leave Parliament.

The only thing which causes me to believe the government wants to leave is because it has something to hide. What this government has to hide is what we have been debating all afternoon, namely the mess with respect to the uranium cartel. That is what this government has to hide.

I think I should put this day in its proper perspective.

The Acting Speaker (Mr. Blaker): Order, please. The Chair is in great need of assistance on the point of order.

Mr. Baker (Nepean-Carleton): I was about to come to that.

The Acting Speaker (Mr. Blaker): I think I can establish the point of order or what the considerations are.

The first consideration is whether or not an hon. member rose to speak before the question was put. In that regard, my impression is the hon. member for Edmonton-Strathcona rose only after I began to read the question.

The second question that is germane is whether or not, once having begun to read the question, the Chair ought to allow any hon. member to interrupt, whether by point of order, by way of discussion or by way of debate, or whether the question having been started makes it impossible procedurally for hon. members to intervene.

If the hon. member for Nepean-Carleton would address himself to either one of those two subjects, I would be most appreciative. I did indicate that the intervention of two or three members would be adequate to meet the point. Time is passing. At a certain point I will have to either come to a conclusion or ask the House to give me adequate time to consult. It is one or the other. I will recognize the hon. member for Nepean-Carleton (Mr. Baker) and possibly two or three other members. But I would ask that hon. members be brief and address themselves to one of two questions. First, the facts. I think I am accurate in saying that I believe the hon. member for Edmonton-Strathcona arrived after I had put the question. The second issue procedurally is whether or not once I have begun to put the question, it is feasible for hon. members to interrupt and continue the debate.

● (2020)

Mr. Baker (Nepean-Carleton): As I understand the situation, Mr. Speaker, after you began to put the question, the hon. member rose in the midst of your putting the question—that is the first point—before there was any question then in the sense that the Chair would deal with it before the House of Commons, the complete question. If that is the case on the first point, I respectfully suggest that the Chair has indicated that the Chair was aware of an hon. member standing. With respect to continuing the debate, the Chair had an obligation to recognize the member standing. That is the first matter I want to put.

As to the merits, what is the obligation of the Chair? I do not think under any interpretation of the rules of this House, that it is the obligation of the Chair to take any action that would cut off the right of a member who wishes to speak. That is the fundamental question, that the Chair has now acknowledged in the House that the Chair knew that at least somewhere in the midst of putting the question an hon. member was trying to speak. If that is the case, it is incumbent upon the Chair to allow that member to speak.

One of the fundamental duties of the Chair is to protect the right of members to speak. It is a duty of the Chair, and that duty is covered in many ways. One is with respect to a tie vote in the House of Commons. Normally the Chair operates in respect of a tie vote to maintain the continuance of the institution. Part of that institution is the right of the member to speak.

I recall in my experience here—and I say with respect it is as long as yours—that under Mr. Speaker Lamoureux, under Mr. Speaker Jerome and under Madam Speaker Sauvé, the Speakers have been very careful, even when they were on their feet. If a member rises for some reason or other, whether it is a point of order, a question of privilege or to intervene in the debate or in any other way, the Speaker is never legalistic and never turns his or her back on a member who wants to speak. In fact, that member is given the full right to speak.

If I have not moved you with respect to that, Mr. Speaker, then I think from the point of view of the preservation of the institution of the Speakership, there ought to be time taken by the Chair to consider this very carefully and to consult with Madam Speaker and the other officers at the Table, which is done regularly, to see that there is a resolution to this.

This, just as important, does not just end the debate. This effectively ends this part of this session of Parliament. That makes it fundamentally important.

I have a great respect for the Chair. It is out of that respect for the Speakership, the Chair, the institution of the Chair, that I respectfully suggest that you, sir, that you reflect upon the enormity of the decision which you may make one way or the other and take whatever time you may need in order to consult with the officials at the table and your colleagues in the chair, particularly the Speaker.

The Acting Speaker (Mr. Blaker): The hon. member for Nepean-Carleton has put the point very well. In the first instance, while his statement does not apply to any other member of the House, he does appear to agree with the Chair that the hon. member for Edmonton-Strathcona did in fact intervene after the question had begun to be read. As far as I know, there should not be any dispute in that regard. In any event, I do not think it is terribly important.

The more important issue seems to be, first, the one that was raised by the hon. member for Wellington-Dufferin-Simcoe who pointed out that it is the responsibility of the Chair to protect the minority. That is an obligation that I understand and accept. I do not want to go into a long dissertation on the Irish question, but we understand that the minority can become a tyranny at some point. That, too, is a question that has to be looked at.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): If hon. members disagree with my observation of history, they can form their observations of the basis of a study of British parliamentary history and the thing that is called the Irish question. I do not want to go any further on that.

What I thought was an excellent suggestion by the hon. member for Nepean-Carleton was that the Chair take some

time to reflect, consider, and consult. That is something to which I referred a little earlier and I think is a rather good idea. If hon. members are agreeable, I would suggest that the House be adjourned until the call of the Chair, which I suggest would be approximately at nine o'clock. The Chair will consult with the Speaker and the Table officers. May I have that indulgence on the part of the House?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Do I need to have a vote on that or may the Chair have that courtesy?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I am very pleased that you have accepted the suggestion. However, just before you leave the Chair I notice that the hon. member for Edmonton-Strathcona and the hon. member for Burlington would like to say a few words to you, sir.

The Acting Speaker (Mr. Blaker): The Chair has already made the decision not to recognize several other hon. members who have stood in their places to be recognized. The hon. member for Edmonton-Strathcona has been recognized twice or even three times tonight. Before recognizing him, I would certainly recognize other hon. members who wished to contribute to this debate. Therefore, if the House is agreed, I will adjourn the House until the call of the Chair, which will be at approximately nine o'clock.

SITTING SUSPENDED

At 8.28 p.m. the sitting was suspended.

● (2110)

SITTING RESUMED

The House resumed at 9.09 p.m.

Madam Speaker: I am now prepared to rule on the incident which took place some time ago in the House and on whether an hon. member should be heard on the motion which was about to be put.

Technically speaking, I think we can say that the process of putting the question had really begun when the hon. member for Edmonton-Strathcona (Mr. Kilgour) rose, but I also think hon. members will recognize that the process of debate had not been concluded, and I want to remind hon. members what constitutes the full process of debate. I refer to Erskine May, who says that the essential stages in obtaining a decision of the House are, first, the moving of a motion; second, the proposing of a question by the Chair; and third, the putting of the question and collection of voices by the Chair. That process has three stages which are very clearly defined.

The nearest precedent we could find in the very short time available to us is dated December 4, 1962, when the House had agreed to a motion. The process of debate had been completed, as hon. members will see from the precedent I will quote, and there was then a request from someone in the House to revert to the prior business of the House, a member having alleged there was too much noise and turmoil in the House and that he could not properly follow what was taking place. On that occasion the Speaker said, and I quote from *Hansard* for December 4, 1962, at page 2287:

> For one thing, of course the Chair will not accept any suggestion that it is moving too rapidly. The Chair is following the well established practices of this House. In fact, if the hon. member will consult with me I can tell him the practice of some of my predecessors as to at what stage they were when the words "Adopté; carried" were put; they were almost around the back of the chair. However, there is no question that the bill was called. Third reading was moved and seconded, and I called it. The Clerk gave it third reading and it was adopted and carried. The house cannot toss its business back and forth.

That too is an important principle which I would like to recall to the House. However, the difference between that particular case and the one we have before us tonight is that the question had been fully put and the House had made a decision on that question, which had been fully put.

In the case we have before us tonight the process had begun, no doubt, and I think the hon. member for Nepean-Carleton (Mr. Baker) admitted that the process had begun, but if hon. members will recall what constitutes the full process, the three stages of that process, then that process had not been completed. An hon. member interrupted it seeking the floor at the time the Speaker was asking for dispensation with respect to reading the question in toto.

I quote in support of my ruling Beauchesne's fourth edition, citation 63 at page 51 which says:

> When the debate on a question is closed, and the House is ready to decide thereon, the Speaker says: "Is the House ready for the question?" If it is evident that no member claims the right of speaking, the Speaker proceeds to put the question by reading the main motion, and then the amendment or amendments in their order as the case may be.

I think we have adopted the practice in this House that even if the process has commenced and an hon. member rises to ask a question or make a point or order, the Chair, when the process is not completed, has always recognized a member and allowed him to express himself.

My ruling is very much based on the right of hon. members to express themselves in the House. This is the most sacred thing the Speaker must protect, and I am sure hon. members will understand that my whole approach to this particular incident was to try to protect the right of members to express themselves, which is not only given to them for themselves, but also for their constituents who have sent them to Parliament to represent them. The key words in Beauchesne, of course, are "If it is evident that no member seeks the floor". In this case it was certainly evident that a member sought the floor since an hon. member did rise and interrupted the Speaker in a process which had begun. I quite admit that, but it was evident that a member wished to speak. Therefore, I must recognize the hon. member for Edmonton-Strathcona.

Some hon. Members: Hear, hear!

Mr. David Kilgour (Edmonton-Strathcona): Thank you very much, Madam Speaker. I am pleased to be able to participate in this debate which, contrary to what some observers might think, is on a motion to adjourn the House until October 14, a

three-month period. It is not my purpose here to say anything about the postal dispute. Our party's and leader's position was stated earlier by my colleague, the hon. member for Ontario (Mr. Fennell). We sincerely wish Judge Alan Gold, whom we all respect, and the parties to the mediation every success in getting the mail moving again, which is in the greater public interest.

Some hon. Members: Hear, hear!

Mr. Kilgour: There are countless other matters of real concern to Canadians which should and might be discussed in this House this summer. Some of these include the past and present federal government fiscal and monetary policy which, I believe, has caused much of our current inflation of 12.6 per cent. I remind hon. members that Chancellor Schmidt, who is visiting here today, has inflation of approximately 5.5 per cent in West Germany, or less than half of that which we have in Canada. We do not have to have 12.5 per cent inflation. We do not have to be second from the bottom on the list of OECD countries in terms of keeping inflation down.

Second, we could discuss interest rates of 20 per cent plus which, as surely as tomorrow's sunrise, sooner or later will affect adversely virtually every Canadian in this land, and none more than home owners, present or would be, and the small business community. I remind the House that the small business community creates approximately two of three jobs nowadays in our country but obviously cannot continue to do so with interest rates of 20 per cent plus.

We might discuss energy policy which, in present form, has already cost western Canadians enormously in terms of lost jobs, and it will cost Canadians in my region and in other parts of Canada more jobs in the future. The policy is also costing us in terms of oil and gas self-sufficiency in the future. I remind the House once again that oil and gas are Canadian-made products. We do not have to continue to import more and more oil from Mexico, Venezuela and the OPEC countries. We could have self-sufficiency in Canada.

We might discuss national unity. We all might discuss national unity and why the federal government of the most fortunate nation on earth and the NDP could amend their joint constitutional package just before it went to the Supreme Court of Canada to provide that voter majorities in fully three western or three Atlantic provinces are necessary to block an Ottawa-proposed constitutional amendment. At the same time, a simple majority in Ontario or Quebec is of equal weight, this despite the fact that the Federal-Provincial Relations Office of the federal government concedes that it knows of no other parliamentary democracy in the world which weights the votes of its citizens for constitutional referenda on the basis of place of residence. If this is the Liberal-NDP idea of a just society in which Canadians everywhere can feel that they are full partners in their own country, I do not think many Canadians in or outside Ontario or Quebec will buy that idea of a just society in the future.

● (2120)

Next we might talk about crime prevention. We have a crime conference going on this very day in Winnipeg, which I had hoped to attend on behalf of my colleagues. We might talk about why, for instance, senior citizens, as we hear from the conference, are evidently more and more afraid to leave the safety of their home out of fear of being mugged. We might talk about why violent crime is increasing. In part, because of legislation of the past decade, in part because of some—I stress some—of the government's more unsuitable appointments to various benches and to the National Parole Board.

However, Mr. Speaker, we cannot discuss everything at one time. So in the time remaining I propose to discuss the uranium issue which makes me very mad, and very sad for my country. It will be the thrust of my argument that, perhaps better than any other issue we have today, this issue shows how little this government estimates the intelligence of Canadians, and how it deserves their contempt. To put it another way, Mr. Speaker, the government shines on the issue. It shines like the eyes of a long dead fish on a moonlit beach. From a long distance in the dark, the eyes of the fish look far better than it smells close up.

Let me begin with some history of this matter. I will try to avoid the facts raised by the hon. member for Saskatoon West (Mr. Hnatyshyn). Most of the facts have come out despite the best efforts of this government to prevent at every turn the truth from coming out about what they have been doing this last number of years. A little history, Mr. Speaker.

In the fall of 1970, the Canadian energy minister of the day, while in Japan, said it was time for uranium producers to get tough. In late 1971 and the first eight months of 1972, conversations took place between persons in Australia, South Africa, France and between various multinational mining companies. The details as to the cartel's workings were agreed upon in February, 1972—a long time ago, Mr. Speaker. For the rest of 1972, little information was provided by the participants as to the cartel's existence. Press reports noted only there had been meetings between government officials, but nothing as to the existence of a cartel. It operated, in fact, in a concealed manner with prearranged bidding practices, quotas dividing international markets, and a secretariat concealed in the French Atomic Energy Commission.

From 1973 to 1975 there were no references made to the workings of that cartel in the general press. There were vague references in some trade journals. In the period from September 1975 to March, 1976, Westinghouse announced its inability to fulfil uranium contracts. The U.S. Department of Justice established a grand jury investigation into the uranium activities of U.S. oil companies. In the summer of 1976, a U.S. congressional subcommittee initiated an inquiry into the international uranium cartel. In August of 1976 Mary Kathleen Uranium, known as MKU, documents were leaked in Australia, and transmitted to the California Energy Commission which in turn passed them on to the U.S. Department of Justice and a Congressional investigation.

In September of 1976, the U.S. Department of Justice sought testimony and evidence from Canadian mining officials and companies. The Eldorado Nuclear president at the time, Mr. Gilchrist, gave a deposition to U.S. authorities. In September again, Mr. Speaker, the Government of Canada, the government of all the Canadian people, denied the existence of a cartel. On September 22, 1976, the energy minister of the day, Alastair Gillespie, released a statement outlining the history of what he called a uranium marketing arrangement. Again, no admission of a cartel. On September 23, 1976, the cabinet, of which not a few of those sitting opposite us tonight were members then, passed an order in council entitled "Uranium Information Security Regulations", ostensibly for reasons of national sovereignty. They rejected the cover-up argument. That was the gag rule.

One month later, Westinghouse filed a $6 billion law suit against 29 uranium producers worldwide alleging an illegal cartel. In the summer of 1977, the U.S. congressional subcommittee released formerly confidential documents involving communications between Messrs. Runnalls, Austin, and Canadian uranium producers, documents marked "specially confidential", despite objections by the U.S. State Department at the request of the Canadian government. The subcommittee rejected the Canadian government's request that the documents be kept secret. Freedom of information really does exist south of the border, Mr. Speaker.

In August of 1977 our party began to mount pressure in Parliament. We felt so strongly about it that we launched a suit in the Supreme Court of Ontario challenging the validity of these gagging orders in council. The judge reserved decision. In the meantime, the government simply revised its regulations to apply only to civil servants and employees of the private sector companies. Again in September, 1977, the Supreme Court of Ontario upheld the validity of the regulations on the gag. In October of 1977, the hon. member for Notre-Dame-de-Grace-Lachine East (Mr. Allmand), one of the few people wearing a white hat, so to speak, in the whole process announced a combines act investigation. Perhaps that is why he is no longer a cabinet minister. That was widely interpreted as putting the issue out of the public spotlight, at least for the period of the investigation.

Going ahead now to late 1977 and the first six months of 1978, Westinghouse sought evidence in the United Kingdom, but the Canadian government and some cartel companies applied strong diplomatic pressure to the House of Lords, I understand, to prevent the release of cartel documents. The House of Lords rejected Westinghouse's request for information. Shortly thereafter, the United Kingdom amended a statute to prevent the extra-territorial application of U.S. anti-trust law. In May of 1978, Gulf pleaded *nolo contendere* and was fined $40,000 by the U.S. courts in a criminal action. From 1975 to 1978, there have been numerous legal actions in the United States with respect to the cartel, but the U.S. Justice Department had decided not to proceed with civil actions arising from its investigations due to the controversy surrounding some of its early decisions.

In early 1979, the U.S. Senate judiciary committee sought access to the information held by the U.S. Department of Justice. The Canadian government—true to form—once again opposed the release of documents, and the court ruled that confidential intergovernmental information need not be released.

Those are only some of the facts, but the more important matters of course are the public issues involved. One of these issues is respect for this country's institutions, including the administration of justice at the highest level, and more important, the issue that justice not only be done, but that justice shall be seen to be done.

We have, we are told, Mr. John Brown of Blake, Cassells in Toronto as our special prosecutor. In contrast, even president Nixon had the courage at the time to appoint an outstanding American lawyer, Archibald Cox, and give him a free mandate. He was subsequently fired, but another outstanding trial lawyer one of America's best, was then appointed, namely, Leon Jaworski. The reason the Minister of Justice (Mr. Chrétien) tells us that he appointed Mr. Brown is that Mr. Brown worked with Mr. Bertrand for four years. Why do we not go to a fresh counsel, an eminent counsel, an experienced trial counsel? There are 30,000 lawyers in this country. Why does he not go to a number of the best lawyers and say, "In order that justice be seen to be done in Canada, here is the file, here is the Bertrand report. Go out and charge whomever you like. If it is our colleague, if it is this person or that person, do it. This issue is just too important to do otherwise."

• (2130)

My colleagues who have sat on the Standing Committee on Justice and Legal Affairs know that the Minister of Justice does not have the faintest appreciation of matters such as specializing in law, the finer points of law, what sub judice means, or anything about the more substantive points of law. The Minister of Justice tells us that he wants Mr. Brown because Mr. Brown worked with Mr. Bertrand.

As a matter of fact, I appeared on a constitutional case against Mr. Brown a number of years ago in the Supreme Court of Canada. We were both junior counsel and neither of us said much. Mr. Brown may be a perfectly competent lawyer, but is he a competent special prosecutor for this case? I did not know, so I telephoned a senior trial lawyer in the city of Toronto yesterday to verify that Mr. Brown was at least a competent prosecuting counsel. The lawyer in Toronto did not even know that John Brown was a lawyer in Toronto. He has been in practice for approximately 25 years, and he has never encountered John Brown in any court, in any trial at any level, in the city of Toronto. Mr. Brown may be a good civil litigation-constitutional lawyer but if he, like the Minister of Justice, knows nothing about the finer points of criminal law, is he the best person for a case fraught with half the problems of this one? We should have a special prosecutor at whom every Canadian can look and say, "That man will do justice for all Canadians, no matter what the cost to whomever". I suggest that this is not the case here.

The lawyer in Toronto asked a junior colleague if he knew Mr. Brown. This lawyer, with five years' call, had never heard of Mr. Brown or encountered him in any courtroom in Toronto. Then I consulted with Martindale-Hubble, which the lawyers here will know lists the specialties of lawyers, and I could find no specialty with respect to Mr. Brown's practice.

In my respectful submission, this is the most difficult case which has ever arisen in Canada because it very closely involves the government of Canada. If there ever was a case to appoint someone with supreme integrity, skill and a sense of justice and fair play to represent the people of Canada, this is it. As of now, no one has any indication that John Brown is the best man to conduct the case.

But the Minister of Justice tells us that Mr. Brown worked with Mr. Bertrand for four years and therefore he will continue with Mr. Brown, whether or not Mr. Brown has ever been involved in a criminal case in his life before. One thing which makes all of us who have been full-time Crown attorneys angry is the fact that the government appoints its friends—this is generally speaking; there are exceptions—to conduct its prosecutions badly, unprofessionally, and too frequently like legal patsies.

Mr. Dion: Oh!

Mr. Kilgour: It is true. I concede that there are cases where there are first-class lawyers doing patronage legal work, but let me tell my friend opposite that there are many who do not know anything about the cases they are prosecuting. The police are embarrassed, the witnesses are embarrassed, and those who have to stand in court are embarrassed to watch them chopping up their cases. This is not a case in which to appoint anyone other than the most competent lawyer who is respected across the land. If the hon. member knows of any other more important case, I wish he would tell me.

The really vital issue here is whether anyone's head is above the law including that of a senator and possibly other politicians. About 400 years ago, Sir Edward Coke established in another country that no one is above the law; not the king, no one. At the very least, I suggest that we will hear more about this matter in the weeks to come. There will be many Canadians wondering whether one individual, at the very least, is not above the law as far as this particular prosecution at this stage is concerned, namely the former deputy minister of energy with whom I will deal in a moment.

The hon. member for St. John's East (Mr. McGrath) read from some minutes of a Moss commission meeting which took place in the office of the then deputy minister, now Senator Austin. At the time even the youngest child in the gallery tonight would have asked himself, "Why are Mr. Runnalls and Mr. McNabb named as unindicted co-conspirators, and why is not Senator Austin at least named with them as an unindicted co-conspirator?" There has been no answer to that. We are told that it is sub judice. Mr. Chrétien does not have the foggiest notion of the concept of sub judice.

Mr. Deputy Speaker: Order, please. May I suggest to the hon. member that it is the practice of the House to refer to hon. members of the House by their constituencies or by their functions as members of cabinet.

Mr. Kilgour: In my experience with the Minister of Justice in many meetings of the Standing Committee on Justice and Legal Affairs and in the House, he does not have the foggiest idea about the concept of sub judice, what it includes and does not include. I think hon. members opposite know perfectly well that I am telling the truth.

Incidentally, "unindicted co-conspirator" is a legal euphemism. Let me advise the Minister of Justice that two people did not have to be named as unindicted co-conspirators. They could just be called as Crown witnesses. Someone with a little experience in criminal law should sit down with Mr. Chrétien and explain that to him. Perhaps he could look at some of the cases on conspiracy.

Some hon. Members: Order, order!

Mr. Kilgour: I am sorry, the Minister of Justice—

[*Translation*]

Mr. Cousineau: Mr. Speaker, the hon. member persists in transgressing our rules, even after having been warned. Enough is enough.

[*English*]

Mr. Kilgour: I have a couple of comments to make on what is conspiracy, which I think the hon. member might like to hear. Criminal conspiracy occurs when two or more people plan together for an illegal purpose. If the hon. member for Red Deer (Mr. Towers) hears the hon. member for Oxford (Mr. Halliday) and myself forming a common purpose to perform an illegal act, the Crown does not have to name the hon. member for Red Deer as an unindicted co-conspirator; he can be called as a witness. The law of conspiracy is fairly clear on this, and I say this for the benefit of hon. members opposite.

Another issue is the question of freedom of information. Some of the members who are present tonight are on the Standing Committee on Justice and Legal Affairs. They know we have spent a lot of time discussing a freedom of information bill, but everything the government has done since 1972 has been obviously aimed at preventing freedom of speech with respect to the matter of its involvement in a cartel which it now suggests by charges was illegal within Canada.

What is the definition of hypocrisy if it is not to say one thing and do something different? For ten years until today the government has tried to conceal information about these allegedly illegal activities. At the same time, it is pretending to believe in freedom of information in the Standing Committee on Justice and Legal Affairs.

• (2140)

Section 429 of the Criminal Code talks about conspiracy and conspiring to do an act contrary to any statute of Canada. I remind members opposite that the provincial attorneys gen-

eral enforce the Criminal Code. If members opposite really believe in justice being done, why do they not refer the Bertrand report, the Henry report, and all the other data to the relevant attorney general of the province to see whether or not he lays a charge of criminal conspiracy under the Code, if a criminal act has been committed against the consumers of Ontario? If members opposite believe in freedom of information, why do they not have the courage, the honesty and the candour to send the material along to the relevant provincial attorney general?

I remind hon. members that the attorney general of the province in which this House is located has recently instructed his Crown attorneys to reveal everything in their cases to defence counsel. Crown attorneys who are worth anything do not hide matters from defence counsel. For the most part they show them all of their cases. Why will the Attorney General of Canada (Mr. Chrétien) not follow the same rule? Why will he not be up front about this matter and show everything to everyone? What is it in the Bertrand report that can cause him grief? Everyone knows that an attorney general, a provincial attorney general, or a Crown attorney does not pull fast ones, he does not hide things; he is as open with the defence as he can possibly be. I submit, given the indicated circumstances, the Bertrand report should be made available to members of Parliament, to the defence, and to all Canadians.

The next point I wish to deal with is why only six companies are charged? You will notice, Mr. Speaker, that there is not one single flesh and blood person charged in this case. Why? Hon. members will, for example, recall the dredging scandal case in which companies and individuals were later charged as parties to the offence. Why does the same not happen in this case? I think we are entitled to ask this question. The Canadian people are entitled to know the answer to it. Is the reason they do not charge anyone that if they were to do so, they would have to charge someone whom they do not particularly wish to charge?

We are told that only six companies are to be charged. Companies are merely legal fictions. I believe one of the defendant companies is only a shell. I suggest to the House that if the government were really trying to see justice done, it would at least explain to us, as members of Parliament, why it is that only companies are being charged and not individuals.

Would the government at least let us see part of the Bertrand report if it will not let us see the entire report? During ten years as a Crown attorney I cannot recall a case in which I was involved where a company was charged and the president of that company was not also charged. What is the point in charging the company with committing a commercial fraud and not charging the president of the company if he was the actual principal in the alleged crime? Often convicted companies are fined a nominal amount of money and the president of the company who was its guiding mind in the fraud gets away with it. Is that just? Is that the way to carry out a system of criminal justice which will win the confidence of Canadians?

I think I have raised some important issues, Mr. Speaker, which show that the matter before us is very important. It is an issue which will not go away. It did not go away for a certain gentleman south of the border. You cannot conceal things in a free society for very long despite the efforts made by members opposite. The Bertrand report will come out sooner or later. It cannot be locked up forever. I put it to hon. members opposite that if and when the Bertrand report is released, it shows anything different from what we have been told on faith to accept—and we do not have much reason to accept anything on faith on this matter from members opposite—that they will rue the day. We on this side will not let this issue go.

Some members here know that my political hero is Abraham Lincoln. I have a picture of him on the wall of my office. I recently had occasion to read Carl Sandburg's biography of Lincoln. I cannot believe that if Abraham Lincoln, or anyone of nearly his stature, had been confronted with this problem, as has the government opposite, he or she would not have said that this is too important for our basic institutions. He or she would get the best man or woman as a prosecuting special counsel, or a group of counsel. I think what Abraham Lincoln, or anyone who aspires to be like him, would have said, "Go ahead. Charge me. Charge my colleagues. Charge anyone whom you think should properly be charged in this matter."

I will end on a soft note. Members opposite do not live up to my standard of what a true statesman should do on this vital matter.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, after hearing the hon. member for Edmonton-Strathcona (Mr. Kilgour), I am convinced Abraham Lincoln would rather be in another office than his this evening.

Why are we here when all provincial legislative assemblies have adjourned for the summer? Why are we here preventing employees, honest workers of this House, from taking their summer holiday as they had planned? Why are we here keeping hon. members on both sides of the House from enjoying their vacation with their families as they had hoped? Because a handful of ultra-Conservatives have assumed control over the opposition. And also because, since the February convention, as we know, the Leader of the Opposition is no longer really the leader but only two thirds of a leader. As a consequence, those ultra-nationalists, those untra-Conservatives, rather, force Parliament to sit here because they have accounts to square with their own leader. I submit it is unacceptable that a bunch of ultra-Conservatives should try to coerce Parliament into denying postal workers their right to negotiate, that those ultra-Conservatives should want to oblige the government to make public reports that will harm innocent citizens who have not been accused of wrongdoing in the

uranium cartel case, and also do irreparable damage to the accused who, until proven guilty, must be considered innocent. Mr. Speaker, every Progressive Conservative member who rose and spoke in this House today on the uranium cartel issue has flouted the most elementary justice, the fundamental rights of anyone who is deemed innocent until proven guilty before our courts of law.

Mr. Speaker, I cannot accept that this situation be allowed to last any longer. Last week it was to force Parliament to legislate the postal workers back to work. I quote an article published in the newspaper *Le Droit* and headlined:

> The Leader of the Opposition gave in before an ultimatum from his backbenchers . . . a week ago by extending the length of the session because of the postal strike.

That is what the rednecks in his party have said. The member for Halton (Mr. Jelinek) in Ontario stated that the caucus meeting was a lot more serene this week than last week because his leader, the Leader of the Opposition (Mr. Clark), had to eat his words to the effect that back-to-work legislation was not necessary. A Canadian Press article by Mr. Alan Arbuckle also says:

> The member for Halton said that his leader even thanked him for having forced the Conservatives to renege on an all party agreement under which the Commons would have been on holidays since last Friday.

Mr. Speaker, it is obvious that we are witnessing disorder, anarchy and total chaos among the Progressive Conservatives. Their leader no longer leads them. They no longer have a leader. There is not even two thirds of a leader. There is a whole bunch of ultra-Conservatives who are prepared to hold up to ridicule the rights of the citizens, the rights of the postal workers, as well as the rights of the accused in the uranium cartel case who are now before the courts. Mr. Speaker, at the next sitting of the House, immediately before the order of the day for resuming the adjourned debate on motion No. 51 in the name of the President of the Privy Council (Mr. Pinard), I will move a motion that the debate shall not be further adjourned. This notice is given pursuant to Standing Order 33.

● (2150)

[*English*]

I think it is absolutely important that we say, today—

Mr. Clark: What a coward!

Mr. Ouellet: —that the only reasons given by the opposition—

Mr. Clark: What a coward!

Mr. Baker (Nepean-Carleton): Coward!

Mr. Clark: Afraid of debate! Afraid of the truth!

Mr. Ouellet: —for keeping this House sitting are absolutely irresponsible, and it is trickery on the part of the opposition.

Some hon. Members: Oh, oh!

Mr. Ouellet: Last week the opposition pretended that it wanted this Parliament to stay on to force us to legislate back the CUPW workers of the Post Office. That was the reason given last week, to carry on the discussion.

Mr. Baker (Nepean-Carleton): Closure!

Mr. Hnatyshyn: Closure!

Mr. Ouellet: Now that members of the opposition fully realize that they are on the wrong side, that the public has realized that the Leader of the Opposition (Mr. Clark)—

Some hon. Members: Oh, oh!

Mr. Ouellet: —is playing the game of Mr. Parrot, the leader of the postal workers, that he is playing his hand, and that, in fact, the Leader of the Opposition has become the best ally of the leader of CUPW, they now rush to find another subject, to find another reason for the House to carry on. Their view of last week is now forgotten. They no longer want Parliament to sit—

Mr. Hnatyshyn: What a disgrace!

Mr. Ouellet: —to deal with the postal strike. They have found another reason.

Mr. Clark: We have achieved mediation.

Mr. Ouellet: They were not happy to replace the normal and legitimate process of collective bargaining. They now want to replace the legitimate rights of justice to be carried by the courts of this land. Today, opposition members, one after the other, have risen here, irrespective of the rights of accused, arguing that there was something wrong, that these people were already condemned, and there were probably other people who should be condemned.

Mr. Andre: Like the sugar refineries, eh?

Mr. Ouellet: I want to say that it is quite clear that the opposition is completely at a loss—

Some hon. Members: Oh, oh!

Mr. Ouellet: —that the leadership campaign is already on—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Ouellet: —among numerous opposition members. The poor Leader of the Opposition does not know where to go. Is he going to have the support of the one third, or is he going to keep the support of the two thirds? He is moving, week after week, from one position to another position.

[*Translation*]

That is exactly what happened in the famous question of the debate on capital punishment to which I personally—

[*English*]

Mr. Shields: I just want to identify myself, Mr. Speaker, as a sitting backbencher, and I fully oppose the indecent act the minister is about to introduce.

Mr. Ouellet: There is no doubt, Mr. Speaker, that this hon. member belongs to the ultra-conservative wing, to those who keep this Parliament running while all the other legislators in Canada are away taking their normal summer vacations.

I want to say that in relation to the Post Office—

Mr. Baker (Nepean-Carleton): Very uplifting debate.

Mr. Ouellet: —the intervention of the Leader of the Opposition has been absolutely irresponsible. If, today, we still have a strike in Canada, we could thank the Leader of the Opposition. There is no doubt that as long as Parliament would be sitting, there would be no incentive on the part of the leader of the union—

Mr. Clark: We achieved mediation. We achieved mediation.

Mr. Ouellet: —to arrive at the table to negotiate a collective agreement. There is absolutely no incentive. Now that a mediator has been appointed, it is even worse. The Leader of the Opposition made a statement to the effect that he only wants to check whether or not Mr. Justice Gold would be successful. I find it absolutely unbelievable—

Some hon. Members: Shame, shame!

Mr. Ouellet: —and irresponsible on the part of the poor Leader of the Opposition who is currently so shaken.

[*Translation*]

Mr. Speaker, I am convinced that the Canadian public who is witnessing this shameful spectacle of the opposition which has been going on for over a week will realize the futility of their action and their intervention. Indeed, Mr. Speaker, it must be recalled that the opposition has kept us in the House one extra week and not one single important piece of legislation has since been adopted. The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) used up the precious time of the House this week—

Mr. Deputy Speaker: Order, please.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—SOUTHEAST ASIA—ABUSES OF HUMAN RIGHTS

Mr. Ian Watson (Châteauguay): Mr. Speaker, this week in New York City 87 countries are meeting under the auspices of the United Nations to discuss the future of one of the world's most unfortunate countries, namely, Cambodia or Kampuchea. This show of activity is in strange contrast to the lack of activity that we have found at the United Nations during those years when Pol Pot and his henchmen were running rampant, killing, it is alleged, three million of their own countrymen, which represents one third of the total population of that tragedy stricken country.

An editorial in the *New York Times* today summed it up very well. In part it reads:

> Vietnam's crimes in Cambodia are real, and deserve the denunciations of a special United Nations conference this week. But the accusers pass too quickly over the crimes of Pol Pot, whose regime may have caused the deaths of three million Cambodians. He is "our" monster in this propaganda battle and his representative speaks for Cambodia at the U.N., thanks to an unholy understanding between the United States and China.

My purpose in rising tonight is to ask our Secretary of State for External Affairs (Mr. MacGuigan) whether we will be part of that unholy understanding which affects so tragically the people of Cambodia. Last autumn I asked the minister why Canada saw fit during the last session of the United Nations last autumn to vote for the seating of the Pol Pot regime at the United Nations. The minister's answer did not satisfy me and I asked for an opportunity to discuss the matter further. Prefacing that question, I referred to a motion which had been put in the House approximately three years ago which reads:

[*Translation*]

—when the House of Commons agreed unanimously to the following motion:

> —[that] all members of the Canadian parliament express their horror of that genocide, which is one of the worst crimes in the history of mankind, and ask all parliamentarians, and governments which maintain relations with our country to protest against that slaughter which has astounded the entire world.

[*English*]

That motion unanimously supported by this House, was presented by the present Minister of Regional Economic Expansion (Mr. De Bané) when he was still a private member of this House.

[*Translation*]

In September of that year, the Secretary of State for External Affairs, Mr. Jamieson, demanded at a meeting of the General Assembly of the United Nations in New York that the UN give particular consideration to the conditions in Democratic Kampuchea where murderous, brutal and massive repression was occurring and where human rights were being ignored. How can the Canadian government justify such a reversal? This is what I asked the Secretary of State for External Affairs. The government submits that the vote in support of granting a seat in the United Nations to the Pol Pot faction is the lesser of two evils and that this in no ways

indicates that Canada approves or supports the Pol Pot regime. In that case, what does this vote mean? On the one hand, it means that we have forgotten what all the countries which made up the United Nations shortly after its establishment had sworn never to forget, namely the horrors revealed by the skeletal survivors of Hitler's camps.

[*English*]

I see that my time is running out, but I have more to say. There have been a number of tragedies with regard to our treatment of Vietnam. We have made mistakes and we are continuing to make mistakes. I cannot believe that Vietnam is not ready to come to some sort of accommodation on Cambodia. She is prepared to come to terms with her neighbours. The present course recommended to Canada by Vietnam's southeast Asian neighbours will inevitably fail. It will make Vietnam even more dangerous. Most important of all, it will prolong indefinitely the human tragedy in Cambodia.

● (2205)

If anyone at the United Nations should speak for the tortured and dispossessed Cambodians, Canada with its image of a protector of the underdog should. It is obscene to have gone along once again with the Vietnam bashing that seems to have become the habit over the last 15 years by our friends south of the border. That elusive Vietnam victory has caused innumerable tortures for the Cambodian people. I would suggest to the minister tonight, in the name of human decency, that the next time the UN considers the matter, Canada remain neutral, that we do not cast our vote in such a way as to take sides. The southeast Asian situation is one we should keep clear of unless we are there on behalf of a humane, decent solution that will benefit the people of Cambodia.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, Canada has supported the seating of democratic Kampuchea in the United Nations General Assembly, because to have done otherwise would have lent legitimacy to the invasion and occupation of Kampuchea by the armed forces of a neighbouring country. This action does not imply Canadian government approval for the Democratic Kampuchean regime of Pol Pot or Canadian acquiescence in the abhorrent human rights abuses perpetrated by that regime during its tenure in power. In 1978, Canada played a leading role in denouncing the deplorable human rights record of Democratic Kampuchea. This was done by a submission to the UN Commission on Human Rights and by subsequent statements in the UN General Assembly.

The unseating of the Democratic Kampuchean regime in the United Nations might have been interpreted as a move towards the legitimization of aggression and the use of force by one nation to overthrow the government of another. This is why Canada along with a majority in the United Nations General Assembly last autumn voted for the continued seating of Democratic Kampuchea, much as we dislike what that regime did when it was the undisputed government in Kampuchea. It has been made clear that Canada would not be involved in any effort to restore the Pol Pot government to power.

Current efforts to seek a peaceful solution to this situation in Kampuchea are centred on the International Conference currently taking place in accordance with the United Nations General Assembly resolution of last autumn. Vietnam and U.S.S.R. are not attending the conference. In the circumstances, it is recognized that the conference will not be able to provide definitive solutions to the problems in Kampuchea.

Canada believes that the proposals presented to the conference, which include a cease fire agreement among the conflicting parties, the creation of a United Nations peacekeeping force, the supervised withdrawal of foreign troops from Kampuchea, and the holding of United Nations supervised free elections, are sound proposals which could offer the necessary guarantees for the parties involved. Canada is prepared to give serious consideration to these proposals but recognizes that they may need amendment or adjustment. They are, however, a first step in the right direction. It is also hoped that the conference will establish a framework for continuing discussions, which will, hopefully, in time, as the situation evolves, lead to genuine negotiations by the parties directly involved in the situation in Kampuchea.

ENERGY—FUTURE OF ALSANDS PROJECT AT FORT McMURRAY, ALBERTA (A) POSSIBLE COMMERCIAL ARRANGEMENT WITH OIL COMPANIES

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise tonight to question a reply given to me in response to a question I asked on July 13. I asked specifically if he was working on a commercial agreement with the companies currently contemplating development in the tar sands in northeastern Alberta, particularly Imperial Oil and the Alsands consortium. The minister replied:

> As far as the question of arriving at a satisfactory commercial arrangement is concerned, this is what we are negotiating with the government of Alberta at the present time.

● (2210)

Nothing could be more blatantly false than that statement. I must point out that a commercial arrangement must be made with the participating companies. Those companies are willing to invest at this point $12 billion in each of two separate plants, but they first must know what they will get for their production, what the taxing regime will be and what the royalty structure will be so that they can do an ordinary cash flow study and determine whether they will get a rate of return on this massive investment of $12 billion per plant in order to make it economically viable.

Both the Alsands consortium in Fort McMurray and Imperial Oil with respect to the project at Cold Lake have clearly indicated to this government and to the government of Alberta that they must have a rate of return of 20 per cent on a discounted cash flow basis because in the case of Imperial Oil it is investing nearly its total net worth in this project. It is

asking for a rate of return which will compensate it for this massive investment.

We all know now that the Cold Lake project has been suspended. Imperial has suspended it, primarily because of the Liberal energy policy and its Canadianization factor which were brought in in October.

Since 1963 Imperial has been working on the technology for in situ production. Imperial wants to retain 50 per cent ownership in the project, but under the present National Energy Policy it is not able to do that. Imperial's rate of return is in the neighbourhood of 8 per cent on a discounted cash flow basis, and Imperial is saying clearly that it cannot continue on that basis. Therefore, it is postponing the project. If Imperial postpones the project, it has to get rid of its technicians. It must reassign them to other jobs, and that process is going on right now. In fact, Imperial Oil is attempting to reassign all its people before September 1 because they are married men with families in most cases, and their children have to be in school by September 1.

Once this group of key people is dispersed literally throughout the world to Imperial Oil projects elsewhere, it will take at least two years to reassemble a team, get a new contract and go through the bidding process again. We have lost at least 140,000 barrels a day for two years. That is a direct attack on the balance of payments of this country of somewhere in the neighbourhood, in today's dollars and at today's prices of $4 billion.

There is something much more drastic than that. All the components of the Imperial Oil plant about which we are talking are brand new. The technology is a radical departure from the technology already known in northeastern Alberta, and that is open pit mining. Most of the tar sands and the oil sands in northeastern Alberta are under too much overburden and oil must be removed in another way. The in situ process has been developed by Imperial Oil since 1963. This technology makes Canada the leader in the world with respect to the in situ process for the removal of oil from tar sands and oil sands. We are the leader of the world in this technology. Venezuela has tar sands. The United States has tar sands. There are tar sands literally in all the oil producing countries of the world, and we are the leaders in this technology. We have 200 years of domestic supply locked in the oil sands. We have technology which is saleable around the world, and we are letting this plant die. I find it incomprehensible that this government would allow that. This is the first plant of its kind in the world. There is a gamble which goes along with it, a gamble of $12 billion, which in two years will increase to at least $15 billion to $18 billion. It appears that the government has put its eggs in another basket. It is saying, "We will not develop the tar sands; we will go with the offshore and with the Canada lands". The Liberal energy policy of last October clearly has scrapped all activity in the western basin and in the tar sands and moved it out into the Beaufort Sea, to the Hibernia field off Newfoundland and to the offshore.

• (2215)

I think, Mr. Speaker, the government should clearly rethink its energy policy because they are gambling with the very security of our country. Every other nation in the western world has made a secure supply of oil a priority. We are the only country, by allowing the Imperial Oil tar sands plant to fold, to say, "no; control is our primary objective, not security of supply".

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, on several occasions in the past when the hon. member has raised the question of the future of those oil sands operations now in the developmental stage, it has been pointed out to him the federal government was fully prepared to see these projects go ahead last year. Unfortunately, the Alberta government refused to negotiate an arrangement that would permit them to proceed independent of a settlement on other issues. What the federal government wanted was to have an agreement on pricing and related matters which would meet the needs of these projects, but this was something that the Alberta government was unfortunately not prepared to negotiate. We are nevertheless working as expeditiously as possible with Alberta to get an agreement which, among other things, would permit these important projects to proceed in the national interest and with full regional benefits as well.

The hon. member has raised his question specifically in relation to the Alsands project. As he must know, the participants in the Alsands consortium are meeting in the near future to make plans for the project for the coming months. I do not propose to try to forecast the result of their upcoming deliberations but the sponsors have given much indication in the past that they are serious about the project and would like to see it proceed as soon as possible.

With reference to the Alsands consortium, we are pleased to note the favourable evolution of this project towards a greater degree of Canadianization. The fact is that an analysis made only a short while ago would have put the Canadian Ownership Rate, COR, at 32 per cent. Today, the COR is approaching the 50 per cent level. The recent new memberships represented by Husky and Dome constitute an expression of confidence in the project on the part of the private sector.

Regarding the question of commercial arrangements being negotiated, this is part of the federal-provincial negotiations which are proceeding expeditiously. From a commercial point of view, the impact of the federal tax system on a present value basis is essentially neutral, after taking into full account the petroleum and gas revenue tax. The availability of grants to member companies of the consortium under terms of the petroleum incentives program is a major plus for this project. On the other hand, Alberta would take considerable amounts out of the project through its present royalty system.

The project will have the advantage of a made-in-Canada price designed to take into consideration the various cost circumstances associated with its development and production. We want to see this project proceed, but not in terms dictated

by companies controlled from outside Canada. We want to see it proceed in a way that will provide maximum benefits to Albertans and to all other Canadians, and make a good contribution to the security of supply objective of the NEP.

Mr. Shields: Don't you get tired of that garbage?

CANADIAN WHEAT BOARD—QUERY RESPECTING INITIAL WHEAT PRICES FOR NEW CROP YEAR

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I am sure the parliamentary Secretary to the Minister of Transport (Mr. Bockstael), who is here to answer my question this evening, will pay more attention and give a reply with a little more enthusiasm than we just had from the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren).

I rise, Mr. Speaker, on the important question of initial payments to wheat producers in western Canada who fall under the jurisdiction of the Canadian Wheat Board. I asked a question in the House last Monday. As I am sure the parliamentary secretary will recall, I asked the minister at that time to confirm or deny that the price for Canadian red spring wheat would be $4.75 per bushel and that for durum it would be $4.75 per bushel. The minister declined to answer the question.

● (2220)

The announcement made yesterday by the minister responsible for the Canadian Wheat Board in the Senate indicated that those prices were correct. In the case of durum, it is a reduction of $1.75 per bushel. It is down to $4.75 from the $6.50 which was the initial adjusted price wheat producers received in the 1980-81 crop year. This means that 27 per cent has been taken out of the pockets of the producers of western Canada in the case of durum. In the case of red spring wheat, 60 cents per bushel has been removed. We must look at all this in the context of rising costs, rising energy costs and rising interest costs because of the high interest rate policy of the government.

The reason that this offends those of us who are from wheat producing areas of the country under the jurisdiction of the Canadian Wheat Board, every farm organization, hon. members of this party and hon. members of the New Democratic Party, is that early on they had called for the government to continue the policy established in 1971 and to make the announcement for initial payments prior to seeding. This would have enabled the producers and farmers in western Canada to have a very important management tool in order to make decisions on what they would plan or on what they would grow in the spring, because they would have an indication of the pricing.

The senator in the other place, the assistant to the Minister of Transport (Mr. Pepin), spoke in the Standing Committee on Agriculture. As reported at page 26:11, I asked the minister the following:

> If the farmers are going to be denied this management tool, they cannot dig up their crop in July, they cannot change their summer-fallow acreage, they cannot change their stubble acreage, they cannot change their crop in July; they have been deprived of something that is very important in managing their farms and their farm income. If that is the definition of orderly production or orderly marketing, I strongly disagree with it.

Senator Argue said:

> Mr. Chairman, I would be happy to respond to that question. My own judgment is that in the recommendations that I have made, namely for an increase in acreage for wheat of some 10 per cent for spring wheat, . . . an increase in acreage for barley of some 10 per cent—

By the way, barley was reduced by 15 cents per bushel from the initially adjusted payment in the next crop year. He indicated that these increases and the maintenance of the acreage in durum were strong indications to the producers of western Canada that the market will be there and the price will continue.

It appears from that statement and the reduction in the initial payments about which we heard yesterday that the minister responsible for the Canadian Wheat Board deliberately deceived the producers of western Canada. He told them to increase their supplies and acreages. That was a signal that we would have strong prices. Then he turned around and took $1.75 per bushel off durum, 60 cents per bushel off spring wheat, and 15 cents per bushel off barley.

This is something the producers will remember, but of course in this instance they cannot take out their revenge on the Senator. The senator is not an elected member. The senator is ensconced safely in the other place and does not have to face the wrath of the farmers and wheat producers in western Canada.

One of the reasons we were given is that the price has gone down. We all have some respect for the Soviet Union in the way that they market and purchase products. Let us suppose that Russia goes around and buys grain from Canada, Australia, Argentina and some countries of the European Economic Community at a lower price, and let us suppose that it does not buy from the United States. Why? Because the minute it makes a large purchase from the United States, it is reflected on the Chicago market, which is what our Canadian Wheat Board uses to price its grain. An increase in the price of grain would follow. I think we can build a scenario that this will probably happen. In the meantime, the wheat producers of western Canada are paying 21 per cent and 22 per cent interest because of the high interest rate policy of this government. The government and the minister do not have the desire or, indeed, the inclination to put any faith in the ability of obtaining a great price for wheat from western Canada. It should be expected that the Government of Canada and the taxpayers of Canada should take some risk in underwriting initial payments, since the producers of western Canada, when the two-price system was in effect in the domestic market, were subsidizing consumers up to $100 million a day.

● (2225)

There is no way that this government is taking any steps to increase sales, unless I misunderstand the situation. If I do, I

hope the parliamentary secretary will tell me differently. This year sales will have to be increased by 25 per cent. We had record sales last year and we will probably reach close to the same level this year. This 25 per cent increase in one year will be necessary so that the wheat producers can maintain their incomes because the price of grain has been lowered that much. I hope the parliamentary secretary will tell me what steps this government is taking to move an additional 20 per cent or 25 per cent so that the farmers will have the same income they had last year.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, when making comparisons of initial payment levels, it is important that we compare equivalent levels. The initial payments announced yesterday by the minister in charge of the Canadian Wheat Board have been compared to both the levels established in July, 1980 and the adjusted levels of last February.

The hon. member for Kindersley-Lloydminster (Mr. McKnight) is attempting to aggravate the situation by comparing only with the revised adjusted prices of last February. I suggest that the only fair comparison is with last July's levels. On that basis, the new initial prices are the same as, or in most cases higher than, they were last year except for durum. In announcing the new prices, the minister stated that if international prices strengthen in the next six months, as they did within the last year, he will certainly consider adjusting the initial prices as he did this year. The initial payment is contingent upon market forecasts, estimated crop yields and sales trends.

The hon. member knows, probably better than most of his colleagues, what the initial price system is designed to do. As some would have us believe, it is not designed to guarantee that a producer's income exceeds his income of the previous year. There are other programs which provide income stability, such as the western grain stabilization program and crop insurance. The initial price system does, however, provide security in the sense that a farmer is guaranteed a minimum price for the current year. But that minimum must reflect the fluctuations in international prices. This year durum is a case in point. Durum is traditionally volatile, and its present soft international price is necessarily reflected in the initial payment levels announced.

The hon. member can be assured that the realistic and responsible initial prices just announced provide producers with the best return on delivery of grain that is possible at present.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, July 17, 1981

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT OF CANADA

CONDEMNATION OF POLICIES—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton South): Madam Speaker, whereas the consumer price index for June was 12.8 per cent higher than one year ago, which is the highest rate of increase in 33 years, and whereas the government for the first time in history has invoked closure to shut down Parliament in order to divert the attention of Canadians to the glories of international summitry and away from the government's appalling economic failures, national divisiveness, and cartel scandal at home, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House condemns the government for pretending international triumph when in fact it has produced tragedy in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

VISIT OF WEST GERMAN CHANCELLOR—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, previously visiting heads of governments of Canada's closest allies have been invited to address joint sessions of Parliament. Canada has a close political, cultural and economic relationship with the Federal Republic of Germany, one of our NATO partners. In not inviting the head of West Germany, Chancellor Helmut Schmidt, to address Parliament the government has slighted our esteemed guest, the people of West Germany, and the Parliament of Canada. Therefore I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House protests the decision of the government not to have our reliable friend, Chancellor Schmidt, address Parliament during his current state visit to Canada, and that this House extends its heartfelt welcome to the head of the government of one of our closest allies.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BUSINESS OF THE HOUSE

PROTEST AGAINST INTENTION TO INVOKE CLOSURE—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there are times when I realize more than ever how valuable I feel this institution is, and I must say that I deplore it when anything is done which does damage to it. I therefore move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House calls on the government to show respect for Parliament by withdrawing its announced intention to invoke closure under Standing Order 33 on the adjournment motion now before the House.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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TOURISM

CALL FOR ESTABLISHMENT OF FINANCIAL ASSISTANCE PROGRAM—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, in light of the fact that the tourist season in the country is in the midst of its peak period, and because of the potential of the tourist industry to assist in generating extra income for all sectors of the economy, and because thousands of tourist operators are experiencing severe financial hardship due to excessively high interest rates in Canada, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Minister of State for Small Businesses and Tourism take immediate action on behalf of the people he represents, and establish a program of financial assistance to aid tourist operators now when they need help and not after many have gone bankrupt or deeply into debt.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

REQUEST FOR REVIEW BY CANADIAN TRANSPORT COMMISSION—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, whereas proposals to reduce VIA Rail passenger service are before cabinet and a unilateral decision without public input could result in the cancellation of the Atlantic Limited, the only passenger train which serves New Brunswick's three largest cities and all of southwestern New Brunswick, and whereas the government appears to be prematurely reversing the 1979 CTC decision taken after extensive public consultation and remarkable progress by VIA on the shortest and most widely used route between Halifax and Montreal, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the government be directed to refer the whole matter of VIA Rail service, CN and CP charges to VIA, and the question of the VIA corporate structure to the CTC for public input.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN WHEAT BOARD

QUOTA ASSIGNED TO BARLEY PRODUCERS—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity to the barley growers of western Canada who now find that their select barley has been rejected, and find themselves unable to deliver it because of the arbitrary April 30 deadline for quota re-assignment of the Canadian Wheat Board. In view of the fact that there is presently a 100 bushel per acre quota on barley, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the Canadian Wheat Board allow those producers to re-assign immediately their select barley acres or move to an open quota on barley, which would make re-assignment unnecessary and allow those producers to fill the Canadian Wheat Board's need for barley that is indicated by the present high quota.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE LEADER OF THE OPPOSITION

MOTION UNDER S.O. 43

Mr. Al MacBain (Niagara Falls): Madam Speaker, I rise on a matter of urgency under the provisions of Standing Order 43. Since the Leader of the Opposition (Mr. Clark) has drawn attention to the ongoing service of Priority Post during the postal strike, this service, along with many private couriers, has been picketed by striking postal workers. In view of this further example of interference in the postal strike by the Conservative party, I move, seconded by the hon. member for Lambton-Middlesex (Mr. Bloomfield):

That this House pass the adjournment motion so that the new postal mediator, Judge Gold, is not sabotaged by the Leader of the Opposition in his attempts to end the postal strike.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VIA RAIL

SERVICE PROVIDED BY THE ATLANTIC LIMITED—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the Atlantic Limited is the most highly used train linking Atlantic Canada to the rest of the nation. Its use has increased significantly since VIA's inception of the service. Today, on checking availability of space, I have been informed that the train is sold out. This train of some 15 cars is usually sold out. I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That, as it is the stated intention of the government to eliminate poor ridership routes, and as it is obvious that the Atlantic Limited does not fit this criteria with passenger miles continually increasing as well as revenues, the Minister of Transport assures the tens of thousands of people who use this train annually that they will not have this vital transportation link discontinued.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1110)

EMERGENCY MEASURES

PROVISIONS OF CABINET ORDER IN COUNCIL—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the government recently introduced by order in council sweeping measures which give the cabinet broad powers to direct arbitrarily and manage all aspects of Canadian life, and whereas this was done without the knowledge, assent or consideration of Parliament, and whereas there are serious dangers inherent in this arbitrary assumption of powers in the event of vaguely defined emergencies, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House opposes the imposition of order in council 1981-1305 giving the Solicitor General the responsibility to establish civilian internment camps, and directs government to bring the emergency planning order before this House in a bill which can be debated by the people's representatives instead of imposing these measures in secrecy behind cabinet's closed doors.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

DEMAND THAT NEW BUDGET BE PREPARED—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise under the provisions of Standing Order 43. The budget of the government is in a shambles. The cost of living has gone up 38 per cent since this government took over. Therefore, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House demands that the Government of Canada prepare a new budget which will propose an anti-inflation policy to protect consumers from the double whammy of inflation and high interest rates.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE PRIME MINISTER

MOTIONS UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. The Trudeau government, at great expense—

Some hon. Members: Order!

Mr. McMillan: —to the Canadian taxpayer, has provided the national and world media with a slick package of briefing material for the forthcoming Ottawa Summit. Included in this material is a backgrounder on the Prime Minister (Mr. Trudeau) in which he allows himself to be described as possessing "a keen, biting intellect", as a leader with world prestige, and as one who places party and country ahead of his personal desire to resign from the leadership of his party. For the sake of completeness, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That the House calls upon the government to add to the backgrounder that the same man now has the distinction of being the first Canadian Prime Minister ever to invoke closure to close down Parliament to muzzle opposition criticism of his government's economic incompetence and cover up the uranium cartel scandal.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas Prime Minister Trudeau—

Some hon. Members: Order!

Mr. Taylor: —has become a great dictator with his clones carrying out his every wish—closure again—with this the first time in Canadian history that a Parliament has been adjourned in order to give the Liberals a holiday; and with the laying on of the Prime Minister's hands on Jim Coutts with instructions for Coutts to be named the Liberal candidate, etc., etc., I move, seconded by the hon. member for Ontario (Mr. Fennell):

That this House deplores the actions of this dictatorial Prime Minister and his majority government who are betraying the people of Canada, particularly the Canadians who died in foreign lands fighting against dictatorship.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN RATE OF INFLATION

Hon. James A. McGrath (St. John's East): Madam Speaker, my question, in the absence of the Prime Minister—

Some hon. Members: Louder!

Mr. McGrath: —is directed to the Acting Prime Minister. At a time when Parliament is being shamefully gagged by this government, we now face the highest increase in the rate of inflation since the immediate postwar period. It stands today at 12.8 per cent. That represents an increase of 38 per cent since this government took office.

My question to the Minister of Finance, or the Acting Prime Minister is: since we are about to close Parliament by the invocation of closure, can he tell this House and can he tell the Canadians what relief they can expect to get during the months ahead, when Parliament will not be sitting, from these rising prices in food, cost of living, high interest rates—the whole critical factor?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we are sorry that the figure is that high, but the hon. member is asking what we expect as relief in the next few weeks and months. Of course the increase in the month of June had been principally caused, in the case of food, because of fresh vegetables and all these items which, beginning in July and August, will not be imported to Canada any more. We will have the benefit of the produce being produced in Canada. Therefore, in terms of fresh fruits and vegetables, the prices are likely to decrease during the summer months, so that will help.

The second aspect of the increase in the price index was caused by the rapid increase in the price of energy. Of course I think that at least we will not be following the advice of the opposition party—to increase energy prices rapidly to the world level—because otherwise the increase on that factor would be even worse.

Some hon. Members: Higher, higher!

Mr. Hnatyshyn: Tell us about the cartel.

Mr. Clark: That is a lie. That is a lie.

Mr. Chrétien: So there will be no more increase.

Mr. Clark: You are a liar.

Mr. Chrétien: There were some in the spring, due to special circumstances, which will not be there in the summer.

MEASURES TO ASSIST LOW-INCOME GROUPS

Hon. James A. McGrath (St. John's East): Increases in the price of produce have gone up by 37.6 per cent over June of last year. The Acting Prime Minister cannot blame that on the farmers. There is only one culprit, and that is his government, and he knows it.

Some hon. Members: Hear, hear!

Mr. McGrath: We now have the worst rate of inflation, with the exception of Italy, of any of the seven western industrialized countries which are meeting in Ottawa. There may be a problem at the Summit, but there is a crisis in this country. I believe that the low income earners, the unemployed of this country, and the old age pensioners have a right to expect some relief from the policies of this government.

I want to ask the Acting Prime Minister, in his capacity as Minister of State for Social Development, given the fact that the government's only response to date has been a $30 increase in the GIS, what relief can the poor, the unemployed and the old age pensioners of this country expect in the next three months when this Parliament will not be sitting?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think I said earlier that, on the contrary, I am not blaming the farmers. I said that the farmers of Canada will be helping us, because we will have their fresh fruits and vegetables to eat, come July and August. Therefore, the farmers will be helping us, not hurting us. I do not blame the farmers. I said that, unfortunately, the prices of imported food increased very rapidly in the month of June, and we had to face that problem; but because of the Canadian farmers the problem will not be the same in July and August, because we will benefit from the work of our farmers. Therefore, the hon. member was wrong when he made that accusation.

The opposition is asking the government to spend even more money at this time, but it is the same group of people who complain because the deficit is too high. The hon. member is asking us to add to the many increases that we have put into the social programs over the last 18 months. In many instances it was to re-establish some payments which had been cut off by the hon. member's party when it was in power.

Some hon. Members: Hear, hear!

QUERY RESPECTING USE OF CLOSURE

Hon. James A. McGrath (St. John's East): The minister makes a very unattractive Marie Antoinette because what he is saying to the people out there is that during the month of June he let them eat cake because they were faced with high produce prices.

• (1120)

I should like to put my next question to the Minister of Finance, or the Acting Prime Minister in his capacity as Minister of State for Social Development. Since this government took power the misery index that comprises the unemployment rate, the interest rate and the inflation rate, has gone up by a whopping 250 per cent. That represents misery. I want to ask the Acting Prime Minister, since the government has now taken the responsibility of invoking closure to close down this Parliament in the face of this crisis in the country, what measures we can expect—

An hon. Member: Joe is in trouble.

Mr. McGrath: No, my friend. You are in trouble and your leader, and you know it.

Madam Speaker: Order, please. The question, please.

Mr. McGrath: I apologize, Madam Speaker.

Mr. Chénier: Ask the question.

Mr. McGrath: Groucho Marx always seems to speak from his seat.

Madam Speaker: Order, please. Order. We will have the question right away, or we will not have it.

Mr. McGrath: Thank you, Madam Speaker. Surely, Madam Speaker, we are entitled to expect some indication from the government, since their monetary policies are not working, since they gave an undertaking that they would not—

Madam Speaker: Order. Order, please. The hon. member will ask the question immediately. One sentence, leading to a question, with a question mark—that is a question. He has had several preambles and I cannot be more patient with him.

Mr. McGrath: Does the Acting Prime Minister shamefully intend to adjourn this Parliament by closure, without doing anything about inflation in this country?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I should like to point out to the hon. member in the first place that the unemployment rate in Canada is the lowest in five years and is therefore less than the rate that prevailed when he was a minister in the previous government. Secondly, when the Progressive Conservatives were in power economic growth was at an absolute standstill in our system. Since our return to power we have managed to increase the economic growth in Canada. Unfortunately, there is an aspect which we deeply deplore, and that is more inflation than we had anticipated. That is why the Minister of Finance is determined not to allow the government deficit to increase at the present time, which would only make inflation much worse. It is a situation we are now trying to deal with as quickly as possible, and this is no easy task, but I think that of the three factors I have mentioned, two of them are most significant. We have the lowest unemployment rate in five years. We are now in a period of economic growth, and I think that the policies of the Minister of Finance will succeed in the medium term in checking inflation.

[*English*]

CIRCUMSTANCES OF LOW INCOME SINGLE PARENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in the absence of the Minister of Finance I want to direct my question to the Acting Minister of Finance. I would say to him, or to her, that the government is doing nothing while Canadians out there are hurting. I want to ask the Acting Minister of Finance about the case of a single parent, a mother, with three children, who is working but cannot quite make ends meet. This mother is without her family allowance cheque this month.

An hon. Member: That is not true.

Miss MacDonald: Yet she has to go to the supermarket today. She has to go to the supermarket and she does not have her family allowance cheque. She finds that the price of vegetables is up by more than one third, and the price of dairy products is up by 15 per cent. Since the Minister of Finance said that he would not fight inflation on the backs of the poor, which is what he is doing, I would ask the acting minister what effort he is going to make on behalf of this single mother who may have to cut back on dairy products and fresh vegetables for her children, because of the government's lack of action?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, it is always very moving to single out an exceptional case and then try to appeal to emotions. If one wants the people to understand the policies and fully appreciate the current situation of the country, one should refrain from resorting to lowly demagoguery and make an effort to appeal to reason instead.

The hon. member said that the Minister of Finance has shown no compassion for the most underprivileged people in our society. I might remind the hon. member that when the budget was announced last September, her leader, herself and other members of her party were saying how imperative it was to maintain the indexation of the income tax schedules so as to shelter low income earners from inflation. The Minister of Finance did just that and therefore the people to whom the hon. member has referred ended up with $1.6 billion more in their pocket so as to be able to cope with soaring prices.

I should like to add as well that, when consultations were being held about the budget, we received many representations to the effect that certain social measures no longer be indexed. Indexation has been maintained for old age benefits, family allowances and all social assistance payments made by the government so that the most underprivileged Canadians were cushioned against the impact of rising prices.

• (1125)

[*English*]

GOVERNMENT PROGRAMS TO FIGHT INFLATION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, obviously the minister does not care about those many Canadians who have to cut back on dairy products and fresh vegetables for their children. He mentioned the Minister of Finance. In May the Minister of Finance boasted that the rate of growth in the CPI had slowed down from 1.3 per cent to 0.7 per cent that month. Referring to the slowdown, as reported in *Hansard* at page 9631 he went on to say the following:

If that trend continues for the rest of the year, certainly it would register an appreciable drop in the over-all inflation rate.

That trend has not continued nor has there been an appreciable drop in the rate of inflation. Therefore what plans, projects or programs does the minister have in mind to take into consideration a situation that he did not foresee just two months ago?

Mr. Baker (Nepean-Carleton): They have nothing, and that is why they are running from Parliament.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): To answer that question, Madam Speaker, I think we must go further than a review of the current figures which represent the increases between June 1, 1980, and June 1, 1981, and analyse them. As the Acting Prime Minister said a moment ago, roughly 34 per cent of that increase is due to the higher costs of energy, fruits and fresh produce. As the Minister of Justice pointed out earlier, thanks to the efficiency of agricultural producers and, of course, to the current season, deliveries of fresh fruit produced in Canada will appreciably lower the price of such foodstuffs so that the people about whom the hon. member expressed concern will find it easier to buy them at more moderate prices. If we want to follow a policy under which Canadians will be increasingly relieved, we must continue to support the gradualist approach of the Minister of Finance as well as the policy adopted by the government with respect to energy prices.

[*English*]

GOVERNMENT'S CONSIDERATION OF ALTERNATIVE MEASURES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, a very interesting motion was moved earlier under the provisions of Standing Order 43 about sabotage. The only sabotage going on here is that of the incomes of low and middle-income Canadians by the government.

My question is for the Minister of State for Finance, and I am hoping for an answer to it today.

Mr. Clark: You won't get one.

Mr. Skelly: The CPI is up, the bank rate is to be sustained for many months to come, and as a result all of us will be facing many hardships. The minister falls back continually on the fact that we gave $35 to an already inadequate pension base and that we have indexed pensions. That is not an acceptable answer.

What consideration has the government given to alternatives that we might produce if we stayed on a little longer? What consideration has the government given to tax reform legislation, a cost of living tax credit, the setting up of a fair prices commission, and a reduction or an offsetting of interest rates? What other alternatives does the government have that may help Canadians?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the kind of measures mentioned by the hon. member are, of course, of a fiscal nature and are normally announced in a budget. Since the Minister of Finance has indicated that there will be a budget in the Fall, various measures are now being considered by the Department of Finance to cope with the economic situation. However, I would like to remind the hon. member that measures have already been taken and implemented, such as the Small Business Development Bond, which will be of great benefit in the present situation of high interest rates and which will greatly help the small business sector. There are also many other measures. The hon. member could refer to the last budget to see what has been done.

* * *

● (1130)

[*English*]

BANKS AND BANKING

PROFITS OF CHARTERED BANKS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, these measures have been very helpful to the banks. So has the government's interest rate program. Its energy policy has been very helpful to the oil companies. The only segment the government has not been helpful toward is low and middle-income Canadians and pensioners. The minister mentioned that food prices are going up. Possibly he can tell us how farmers will be able to produce lower-priced food when energy prices and interest rates are going up? We are not going to see reduction in the cost of living.

There were questions about bank profits. What is the government doing to prevent the windfall of bank profits that is occurring under the interest rate program? Is the government considering using that money as a possible offset against high interest rates, and attempting to ameliorate the cost of living?

Mr. Baker (Nepean-Carleton): They are trying to run away from Parliament, that is what they are doing.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, in his preamble the hon. member has referred to the lack of concern of the government for certain groups of people. In a previous answer I indicated that the basic concern of the government is precisely for those members of our society who need assistance the most, such as the senior citizens. The hon. member says that the increase in the guaranteed income supplement has been minimal, but it still amounted to $420 a year, plus the various increases provided by indexation. The child tax credit this year has reached about $238 per child. These are substantial amounts which apply to the neediest and the most disadvantaged in our society.

The hon. member would like the government to panic and implement such programs haphazardly whenever there are worrying signs in the economy. I must say that this is not how this government intends to manage the Canadian economy, because we want to take medium and long-term action which will bring back stability and not cause any upheaval in our economy.

* * *

[*English*]

CORPORATE AFFAIRS

GROWTH IN CONCENTRATION OF CONTROL AND OWNERSHIP OF COMPANIES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, the only panic in this House is indicated by the minister's tone of voice and by his lack of an answer. Maybe I can shift to the Minister of Consumer and Corporate Affairs because there does not seem to be much coming from the other direction. If that is care, I would hate to see contempt.

One factor, especially in food prices, is the degree of corporate concentration in this country and what appears to be absolute control over prices, with no competition. The taking over of Dominion Stores by Provigo is an example of concentration in the food industry. It is the same situation whether it is fish on the west coast or food in Ontario. Will the minister indicate what his department is doing to see that prices and the consumer price index are being held in line and that Canadian consumers are not being gouged by the government's failure to act positively for years on the degree of corporation concentration in this country?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the issue of corporate concentration in the food industry in Canada is of course a source of concern for the officials of my department and for government as a whole. That is why we have indicated our desire to introduce legislation in the new session to amend the competition Act and specifically to restrict take-over operations in Canada.

* * *

[*English*]

COMBINES

URANIUM CARTEL—MINUTES OF MEETING HELD IN 1972

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Justice. It has to do with the desperate attempt by the government to cover up any evidence of possible ministerial involvement in an illegal cartel. We learned yesterday that not only is the Bertrand report to be hidden from Parliament, but also the Henry report. Now the government wants to throw members of Parliament out of the House of Commons so that we cannot continue to ask questions about the possible illegal activity of ministers of the Crown.

My questions have to do with what the government knew in 1972. I would like the Minister of Justice to confirm the accuracy of the uranium cartel minutes of a meeting held April 10, 1972, in the boardroom of the Department of Energy, Mines and Resources at which was present Mr. Jack Austin, then deputy minister of energy, subsequently principal secretary to the Prime Minister and now, for his pains, a senator, in which Senator Austin is quoted in the minutes as affirming that the uranium cartel "could later become illegal if orders have to be declined by Canadian producers as a result of the arrangement". Will the minister confirm that Senator Austin gave that advice in 1972, and confirm that the advice which Senator Austin gave in 1972 was correct?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the Leader of the Opposition has again spoken about illegality. Some years ago this government asked Mr. Bertrand to look at the possible illegality of a cartel operating in Canada. He took four years to complete that inquiry. He hired some outside lawyers on his own to look at all the files and to make recommendations. They looked at thousands of documents and listened to hundreds of witnesses. Mr. Bertrand and his lawyers looked at all aspects of the legality of the situation and made recommendations to the Attorney General of Canada that six companies should be prosecuted.

I received a report from them which I have accepted. I accepted that recommendation, and I am prosecuting the six companies that had been recommended to be prosecuted. I repeat, I have received a report. I hired the same lawyers who advised Mr. Bertrand, to advise me. They gave me that same advice which they gave Mr. Bertrand, and I followed that advice. All those who, according to the four year inquiry, supposedly committed illegalities, are being prosecuted. There is nothing that I can add now that the matter is before the courts.

POSITION OF CABINET IN 1972

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the minister once again refuses to answer the question. That indicates why he wants to throw members of Parliament out of the House of Commons. We ask questions which he is afraid to answer.

Some hon. Members: Hear, hear!

Mr. Clark: Since he refuses to answer, we must assume that the quote attributed to Mr. Austin was correct, that Mr. Austin knew, that the ministers knew, that the government knew in 1972 that this would be an illegal act. We must assume that. Let me ask another question about the same minutes of that meeting in 1972 in the boardroom of the Department of Energy, Mines and Resources, a meeting of the cartel.

Mr. Austin, according to the minutes, stressed that the cabinet was in favour of the arrangement. That is what Mr. Austin said. Will the Minister of Justice stand in his place and tell us whether that statement by Mr. Austin as deputy minister is correct, and whether it is true that in 1972 the cabinet was in favour of an arrangement which it knew would have illegal consequences? Will the minister confirm that?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the Prime Minister replied to these questions the other day. At that time the government wanted to establish an international agreement with many nations to protect Canadian producers against the activities of the American government which was shutting out Canadian products from its market. We wanted to ensure that workers in Uranium City and northern Ontario were able to keep working.

● (1140)

The international agreement was known. It had been discussed and agreed to. It was completely legal. The point was, as indicated by the Prime Minister, that this did not give companies in Canada the right to fix the price in the Canadian market. That aspect was referred to a commission. The commission looked at the fixing of prices by Canadian companies in the Canadian market. This was illegal, and that is why I decided to prosecute the six companies which tried to fix the price in the Canadian market.

Mr. Clark: Madam Speaker, the other day the Prime Minister said he did not know until 1975, and he did not act until 1977. This evidence by Mr. Austin, which the minister cannot deny—and will not deny because he knows it is true—indicates that the Government of Canada had the knowledge that this arrangement could be illegal three years before the Prime Minister admitted he knew.

LEGAL OPINION PREPARED IN 1972

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me ask the Minister of Justice whether there was another opinion by the Canadian Department of Justice, again in 1972, which indicated that the arrangement approved by the cabinet would lead to a possible offence under the Combines Investigation Act by 1977 at the latest. Can the minister confirm that such a report was received in 1972? Can he confirm that the Department of Justice told the then minister of justice and the Government of Canada as early as 1972 that the course upon which they were embarked was a course which could break the law of Canada?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to repeat again that when the Canadian government decided to establish an international agreement to make sure that the Canadian producer of uranium would keep producing uranium in Canada, it was to protect the Canadian product against the actions of the American government at that time. That was done. It was acceptable to everybody because it was the goal of all the people who were producing uranium to make sure we were not shut out completely from the international market because of the action of the American government. This was the problem of the international cartel or the international agreement, but it did not give permission to the companies to try to fix the price in Canada.

It was exactly this problem which was inquired into by a commission for four years. The commission had access to all the government documents it needed. Mr. Bertrand at one point asked to see cabinet minutes, and later on he declared he did not need them, so he had all the documents he wanted. He said that not long ago and, after four years of looking at all the aspects of the illegalities, he made a recommendation to me which I accepted. After four years of inquiry he found that six companies should be prosecuted. I accepted his report. The matter is before the court, and it is up to the court to decide.

DOCTRINE OF CROWN PRIVILEGE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, what Mr. Bertrand in fact said to *The Toronto Sun*—

Some hon. Members: Oh, oh!

Mr. Beatty: —was that having access to the cabinet documents would help to confirm his suspicions.

Yesterday I asked the Minister of Justice for the assurance that he would not invoke the doctrine of Crown privilege to block testimony concerning the cartel, or to block the production of papers concerning the cartel in the court case, a doctrine which has been invoked in previous instances relating to the cartel. The minister refused.

In view of the fact that the government is today using its majority to padlock Parliament, will the minister give this House the assurance that under no circumstances will he invoke the doctrine of Crown privilege to frustrate the attempt of courts to get to the bottom of this incident?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, one of my colleagues established very well some weeks ago that when the source is *The Toronto Sun* it should not be relied upon too much.

The second thing is that I said yesterday—and I will repeat it for probably the sixth time—that in terms of Canadian courts dealing with Canadian laws and Canadian problems there has been a decision of the appeal division of the Federal Court which says that these documents would be available. I am facing a hypothetical question. I am the Attorney General of Canada. The case is before the court. I have no request from any court or any judge about documents at this time. I do not deal with hypothetical questions, but I would like to say that when we are dealing with Canadian problems before Canadian courts, the documents cannot be prevented from being produced in court because the rule was that foreign

tribunals were not to force Canadians against their best interests.

Mr. Beatty: Madam Speaker, the minister is attempting to confuse the issue. The issue does not relate to the gag order. The issue relates to the doctrine of Crown privilege which was invoked by the minister of energy, mines and resources previously to prevent testimony by his officials before provincial government inquiries relating to energy. The issue relates to Crown privilege. The minister refuses to give any assurance that he will not invoke it again.

PRODUCTION OF DOCUMENTS IN COURT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in view of the fact that there are some 40,000 documents Gulf has locked in a safe at McCarthy & McCarthy in Toronto, the release of which the federal government attempted successfully to block so that Gulf could not use them in its cases in the United States, and in view of the fact that the rationale used by the government was on the ground of national sovereignty, which does not apply in cases in Canada, will the minister give the House the assurance that he will take no action, including a re-amendment of the gag order or any other action, to frustrate the production of those documents or any other relevant documents which would be valuable to the defendants in this case?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said earlier—and I have answered this question many times—that there is a ruling of the appeal division of the Federal Court on that. I do not have to answer a question about a situation I do not face. Nobody has asked me any question in any court about it. The case will be before the court. I do not want to have the trial in this House of Commons. There are some companies which are accused. They have rights under Canadian law. They will be before the court. They will make requests of the judge and, if I am faced with some problems at that time, I will cope with them.

I have given an indication that, in my view, when we are dealing with Canadian problems before Canadian courts in relation to Canadian documents, there are some rules which apply. The gag order will not apply in those circumstances because the gag order was in relation to the intrusion of foreign courts into Canadian affairs.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—REMOVAL OF INSULATION FROM HOMES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is also to the Acting Prime Minister. It concerns another disaster which really must be dealt with before this House closes for the summer. There are tens of thousands of home owners who are very worried and are experiencing increasing tension because they insulated with urea formaldehyde foam insulation. Their families have health problems. Their homes are worthless. Their life savings are gone, and the government has persistently refused to help.

In view of the fact that health officials in British Columbia, Alberta and Ontario have now agreed that testing is unreliable and inconclusive and the only solution to this disaster is to remove the foam from these homes, does the minister not agree that the government, which encouraged the use of this foam in the first place, should now have a responsibility to assist home owners to remove it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the answer is no, because we are not as sure as she seems to be. Testing will be done over the summer and the Government of Canada has established a centre which is already operating and which satisfies the needs of many Canadians. An inquiry under the Hazardous Products Act is under way and I think we will have to wait for its findings before making any inferences, despite the hon. member's eagerness to do so.

[*English*]

Mrs. Mitchell: Madam Speaker, I do not think the minister listened to the reference about health authorities in three provinces having proved that this will not do anything to solve the problem.

REQUEST FOR RE-ALLOCATION OF FUNDS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is directed to the Minister of State for Finance. I know that in times of difficult financial restrictions it is difficult for the government to find money to help home owners in the face of a real disaster like this. Therefore, I would like to ask the minister to take a proposal to the cabinet which would not cost extra money but would use funds which are already allocated.

• (1150)

Would the minister propose to cabinet, and particularly the Minister of Finance, that they re-allocate the $5 million budgeted for useless testing of UFFI homes, and will he also propose that they designate the $330 million recently approved for home insulation programs for use in solving the problem the government itself created, the poisoning of the atmosphere in homes?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the answer is no, since the programs and the funds allocated for such programs were fully justified.

Oral Questions

COMBINES

URANIUM CARTEL—POSSIBILITY OF HOLDING SPECIAL INQUIRY

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I have a question for the Minister of Justice. The minister is aware that the terms of reference of the Bertrand investigation were quite narrow. Mr. Bertrand, for instance, could not consider whether there had been violations of the Criminal Code provisions pertaining to conspiracy by individuals and corporations. Is the minister aware that Mr. William McKeown, a former director of the combines investigations branch, stated that the only way to deal with the involvement of the government and ministers of the Crown in the cartel is through a special inquiry under the Inquiries Act, and is the minister ready under the circumstances to launch a special inquiry?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, it is my view that Mr. Bertrand was in a position to make a full investigation of the matter. He stated publicly that he had obtained all documents needed for his investigation. He hired the best lawyers available under the circumstances. Those same lawyers are now working for me as Attorney General, with a view to securing convictions, and I am satisfied that the work done by Mr. Bertrand and his lawyers was quite complete. Further, I have no intention of recommending that a new investigation be conducted by anyone. I will leave it for the courts to decide.

[*English*]

REQUEST THAT REPORTS BE TURNED OVER TO ONTARIO ATTORNEY GENERAL

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the answer demonstrates that the minister is one of the most pleasantly incompetent and naive justice ministers in history. He will say nothing of substance in either language.

My supplementary to the same minister, Madam Speaker, is this. Mr. Bertrand could not consider whether there were violations of the Criminal Code. Will the minister have the courage to turn over the Henry report, the Bertrand report, and all other relevant documents to the Attorney General of the ripped-off consumer province, namely, Ontario, to see whether or not any person or company has violated provisions of the Criminal Code for which the Attorney General of Ontario is responsible, not the Minister of Justice and not Mr. Bertrand?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to say that I am the Attorney General of Canada, and if there was an offence in that matter, it was against laws which come under the jurisdiction of the Attorney General of Canada. I have fulfilled all my obligations in accepting the report of Mr. Bertrand and taking legal action against the six companies.

Of course some of the comments of the hon. member do not impress me. I am not at all afraid to compare my record in this House to the nasty little comments he can make, once in a while.

Some hon. Members: Bravo, bravo!

LEGAL ADVICE ON NAMING OF DEPARTMENTAL OFFICIALS

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is also to the Minister of Justice. He will remember that on May 26 last he told this House, quite properly, that the final decision to prosecute was within his domain. Subsequently he said that he has acceded to the recommendations of Mr. Brown. The thrust of my question has to do with the recommendations given to the minister by Mr. Brown.

The minister is aware that a conspiracy is nothing more than an agreement between two or more people to commit an illegal act. Mr. MacNabb and Mr. Runnalls were named parties to this agreement, and there must have been a reason. I ask the minister a very plain and simple question. What was Mr. Brown's advice to the minister in recommending that Mr. MacNabb and Mr. Runnalls be named as parties to this illegal agreement, but not the deputy minister, Senator Austin, in circumstances where he was the president of Uranium Canada Limited during the formative years of the cartel?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the recommendations of Mr. Brown were very clear.

Mr. Clark: And confidential.

Mr. Chrétien: He recommended that I take legal action against six companies, and he named a certain number of people and companies as unindicted co-conspirators. This is not unprecedented. In previous answers I gave to the House the precedents where, in three different cases of a similar nature, there were unindicted co-conspirators. It is a technique used to give them special status in court in order to help make the case against those who have conspired.

These people are not accused because they did not commit an offence. Mr. Brown's advice to me is the same that he gave to Mr. Bertrand. After four years of work on that file he concluded that there are six companies which shall be prosecuted, and nobody else. I have accepted his recommendation.

REASON FOR NAMING OFFICIALS

Mr. Chris Speyer (Cambridge): My supplementary is to the same minister. We certainly know what he has done; the questions we want to ask pertain to why he has done it. I ask the minister is it a matter of legal technique or a matter of policy that this agreement between Mr. MacNabb and Mr. Runnalls—because that is exactly what it was according to the indictment, an agreement to conspire to commit an unlawful act—is it just a matter of evidence and legal technique that they were named? Is that the only reason?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not want to start the case here.

Mr. Baker (Nepean-Carleton): I guess not.

Mr. Chrétien: I said I have accepted Mr. Brown's recommendations.

An hon. Member: Why?

Mr. Chrétien: I have hired him as a special prosecutor in this case. He will have all his documents in front of the court and he will use them in order to have the six companies found guilty. His best judgment, accepted by Mr. Bertrand, was that the six companies should be prosecuted and no one else. I have accepted that recommendation, both from Mr. Bertrand and Mr. Brown, and I hope they will be successful in proving in court that the six companies involved are guilty of conspiring to fix prices in Canada.

According to Mr. Brown and Mr. Bertrand, the others were not part of it. After four years of hard work on that matter, I have no reason not to accept their recommendations, or change them.

CABINET POSITION RESPECTING URANIUM CANADA

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, one thing the minister cannot deny is that the Bertrand report recommended the prosecution of Uranium Canada. The minister will know that Uranium Canada is a shell company. I have the letters patent and certificate of continuance with respect to that corporation, which indicate that anything that company does is done under order in council. It is not run by a board of directors, it is run by the cabinet.

Mr. Clark: By ministers.

Mr. Hnatyshyn: The minister has attempted to avoid taking any responsibility in this matter. Will he not now do the honourable thing, stand in his place and not let two public servants wither on the vine? Will he stand up and admit the fact that the Government of Canada, the cabinet in fact, was involved directly with Uranium Canada, and in fact was aware precisely of what was going on and stands convicted in this House of Commons?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to say I have done the honourable thing.

An hon. Member: Oh!

Mr. Chrétien: I have accepted the recommendations of Mr. Bertrand and Mr. Brown. Not only that—

Mr. Clark: But you will not publish them. You hide them.

Mr. Chrétien: —I have asked Mr. Brown to be the special prosecutor in the case. On top of that, I took that on my own responsibility. I did not discuss that in cabinet with my colleagues. I faced all my responsibilities as Attorney General and it was only after the charges were laid in Toronto that I informed cabinet of the action I had taken.

I felt it was my duty as Attorney General to take the best advice I could get in this matter, which was from the people who did the inquiry. In fact I did not seek the opinion of the Department of Justice; I relied on the opinion of the lawyers hired independently by Mr. Bertrand. And I accepted the advice of Mr. Bertrand, too.

* * *

● (1200)

PETITION

MRS. MITCHELL—BRITISH COLUMBIA TELEPHONE COMPANY

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the sixty-first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Vancouver East (Mrs. Mitchell) and finds that it meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the order of motions, and because I am deeply disturbed over what the government plans to do today, I move, seconded by the hon. member for Regina West (Mr. Benjamin):

That the House do now adjourn.

Some hon. Members: Hear, hear!

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

Motion to Adjourn

And more than five members having risen:

Madam Speaker: Call in the members.

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

(*Division No. 83*)

YEAS

Messrs.

Althouse	de Jong	Miller
Benjamin	Ittinuar	Mitchell
Blaikie	Knowles	(Mrs.)
Cossitt	Kristiansen	Skelly—11.

NAYS

Messrs.

Appolloni	Flis	Mazankowski
(Mrs.)	Foster	McCain
Axworthy	Fraser	McCauley
Bachand	Frith	McCuish
Baker	Garant	McDermid
(Gander-Twillingate)	Gass	McGrath
Baker	Gendron	McKinnon
(Nepean-Carleton)	Gimaïel	McKnight
Beatty	Gingras	McMillan
Bégin (Miss)	Gourd	McRae
Berger	(Argenteuil-Papineau)	Munro
Blaker	Gourde	(Esquimalt-Saanich)
Blenkarn	(Lévis)	Munro
Bloomfield	Gray	(Hamilton East)
Bockstael	Guilbault	Murta
Bradley	Gurbin	Neil
Breau	Halliday	Nicholson
Burghardt	Hargrave	(Miss)
Caccia	Henderson	Nowlan
Campbell	Herbert	Oberle
(Miss)	Hnatyshyn	Olivier
(South West Nova)	Hopkins	Ostiguy
Campbell	Howie	Ouellet
(Cardigan)	Hudecki	Paproski
Cardiff	Huntington	Parent
Chénier	Irwin	Penner
Chrétien	Jarvis	Pepin
Clark	Jelinek	Peterson
(Yellowhead)	Johnston	Pinard
Clarke	Joyal	Portelance
(Vancouver Quadra)	Kaplan	Prud'homme
Collenette	Kelly	Regan
Cook	Kempling	Reid
Cooper	Korchinski	(Kenora-Rainy River)
Corbin	Kushner	Robinson
Cosgrove	Lachance	(Etobicoke-Lakeshore)
Côté (Mrs.)	Lajoie	Roche
Cousineau	Lamontagne	Rompkey
Crouse	Lang	Rooney
Cullen	Lapierre	Rossi
Darling	Lapointe	Roy
Dawson	(Charlevoix)	Schroder
de Corneille	Lapointe	Scott
Deniger	(Beauce)	(Hamilton-Wentworth)
Dingwall	Lefebvre	Simmons
Dion	Lewis	Speyer
Dionne	Loiselle	Tardif
(Chicoutimi)	Lonsdale	Taylor
Dionne	Lumley	Tessier
(Northumberland-	MacBain	Thacker
Miramichi)	MacDonald	Tobin
Dubois	(Miss)	Tousignant
Dupont	Mackasey	Towers
Dupras	MacLaren	Turner
Erola (Mrs.)	MacLellan	Vankoughnet
Ethier	Malone	Veillette
Evans	Maltais	Watson
Fennell	Marceau	Weatherhead
Ferguson	Massé	Wilson
Fisher	Masters	Wright—160.
Fleming	Mayer	

Madam Speaker: I declare the motion lost.

Motion (Mr. Knowles) negatived.

* * *

POINT OF ORDER

MR. CLARK—USE OF UNPARLIAMENTARY LANGUAGE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order. I have just had an opportunity to read the "blues" for earlier in the day, and I note that during remarks by the Minister of Justice (Mr. Chrétien) in an exchange between the Minister of Justice and the hon. member for Saskatoon West (Mr. Hnatyshyn) I am quoted in *Hansard* as saying, in reference to the comments of the Minister of Justice: "That is a lie. That is a lie". Later I am quoted as saying to the Minister of Justice: "You are a liar".

Whatever I might think about the conduct and probity of the Minister of Justice, those remarks are unparliamentary and I would like to withdraw them.

Some hon. Members: Hear, hear!

Madam Speaker: That point of order is well taken.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 901, 1,977, 2,288, 2,514, 2,608 and 2,614.

[*Text*]

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM CONTRACTS

Question No. 901—**Mr. MacKay:**

1. For the fiscal year (a) 1978-79 (b) 1979-80, what was the number and total value of contracts let under the Defence Industry Productivity Program (DIP) (i) between $0 and $50,000 (ii) between $50,001 and $100,000 (iii) between $100,001 and $500,000 (iv) between $500,001 and $1,000,000 (v) over $1,000,000 (vi) in total?

2. For the same years, what were the expenditures under the program in the (a) Textile and Consumer Products Branch (b) Agriculture, Fisheries and Food Products Branch (c) Chemicals Branch (d) Electrical and Electronics Branch (e) Machinery Branch (f) Resource Industries Branch (g) Construction and Consulting Services Branch?

3. What was the total for all the branches listed in part 2?

4. For the same years, by province and territory, what was the total in grants and contributions by the Department of Industry, Trade and Commerce under the program?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. For the number and value of contracts let under the DIP program in 1978-79 and 1979-80, see list below.

2 and 3. Expenditures made by branches under the DIP Program and the total expenditure for 1978-79 and 1979-80 are given in list below.

4. The geographical distribution of DIP funds is given in list below.

Department of Industry, Trade and Commerce
Defence Industry Productivity Program (DIP)

Number and Total Value of Contracts

	1978-79		1979-80	
	No.	Value	No.	Value
$0 to $50,000	8	$ 281,991	9	$ 275,434
$50,001 to $100,000	7	525,885	8	695,421
$100,001 to $500,000	34	8,352,466	27	7,893,844
$500,001 to $1,000,000	10	6,685,872	7	5,399,282
$1,000,001 & Over	11	49,885,560	9	27,342,930
Total	70	$65,731,774	60	$41,606,911

Expenditures

	1978-79	1979-80
Textile & Consumer Products Branch		
Agriculture, Fisheries & Food Products Branch		
Chemicals Branch	2,578,879	1,291,379
Electrical & Electronics Branch	10,593,036	12,494,602
Machinery Branch	255,957	16,171
Resource Industries Branch	617,712	1,518,275
Transportation Industries Branch	36,926,840	33,266,846
Defence Programs Branch	1,227,576	312,727
Total	$52,200,000	$48,900,000

Geographic Distribution

	1978-79	1979-80
Newfoundland		
Contributions		
Grants		
Nova Scotia		
Contributions	8,173	15,628
Grants	13,599	154,839
New Brunswick		
Contributions		
Grants	16,235	
Prince Edward Island		
Contributions		
Grants		
Ontario		
Contributions	23,981,737	15,053,360
Grants	3,243,874	4,684,280
Quebec		
Contributions	21,575,537	22,664,361
Grants	2,840,934	5,248,765
Manitoba		
Contributions		
Grants		
Saskatchewan		
Contributions		
Grants		
Alberta		
Contributions	92,500	
Grants	98,052	5,700
British Columbia		
Contributions	264,538	73,504
Grants	64,821	999,563
Total		
Contributions	45,922,485	37,806,853
Grants	6,277,515	11,093,147
	$52,200,000	$48,900,000

RCMP SUPERANNUATION ACCOUNT

Question No. 1,977—**Mr. Knowles:**

1. What was the total amount at credit in the Royal Canadian Mounted Police superannuation account as at March 31 (a) 1978 (b) 1979 (c) 1980?

2. What rate of interest has the government paid for the use of this money during the fiscal year ended on the dates noted above?

3. What amount of interest was credited to the Royal Canadian Mounted Police superannuation account during the fiscal year ended March 31 (a) 1978 (b) 1979 (c) 1980?

4. What was the total amount paid out of the Royal Canadian Mounted Police superannuation account during the fiscal year ended March 31 (a) 1978 (b) 1979 (c) 1980?

Hon. Bob Kaplan (Solicitor General):

1. (a) 1978—March 31 $685,317,113.70
(b) 1979—March 31 $775,338,253.37
(c) 1980—March 31 $886,083,228.51

2. Interest is paid quarterly and the annual rate has been computed as follows:

1977-1978	7.32 per cent
1978-1979	5.77 per cent
1979-1980	6.36 per cent

3. (a) 1977-1978 $24,384,467.49
(b) 1978-1979 $45,555,695.00
(c) 1979-1980 $51,511,834.10

The rate of interest paid into the RCMP superannuation account does not in any way affect the amount of benefits paid to retired members. The benefit is computed on an employee's length of service and the average salary received over the highest paid six consecutive years of service.

4. (a) 1977-1978 $ 7,874,644.26
(b) 1978-1979 $ 9,982,353.16
(c) 1979-1980 $12,955,018.96

OFFICIAL SECRETS ACT

Question No. 2,288—**Mr. Stewart:**

Since 1945, were charges laid against individuals under the Official Secrets Act and, if so (a) how many (b) how many (i) were withdrawn or dropped by the Crown (ii) resulted in acquittals or dismissals?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The Department of Justice: 1. Yes. (a) 25, (b) (i) 1, (ii) 13.

Order Paper Questions

VERAPAMIL

Question No. 2,514—**Mr. Cossitt:**

1. Is the Department of National Health and Welfare aware that a drug, generic name verapamil and trade name Calan or Isoptin, is about to be placed on the market in the United States?

2. Does the government have information with regard to the value of the drug for angina, arhythmias, abnormal heartbeats or other heart disorders and, if so, what is the information?

3. Was the drug tested in Canada and, if so, what are its merits?

4. Will the drug be approved for sale in Canada and, if so, on what date?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. Yes. Verapamil in the injectable form is about to be approved in the United States. No. Oral form is under review by the Food and Drug Administration (FDA) but has not been presented to their cardiovascular and renal advisory committee for their consideration. According to the information available to the Department of National Health and Welfare, there is no definite projected date for approval in the United States.

2. Yes. A new drug submission for Verapamil injection under trade name of Isoptin has received a notice of compliance. A new drug submission for tablets is being reviewed at present. Results of the review should be available in the near future.

3. The drug was/is being tested in Canada. Preliminary information indicates that the drug is likely to be effective in angina pectoris, and cardiac arrhythmias.

4. Verapamil injection was approved by the health protection branch on May 22, 1979, for the treatment of arrhythmias, and is now available as a prescription medication. Tablets can be expected to be approved barring any new adverse information. The projected marketing date for tablets is 1982.

DURHAM-NORTHUMBERLAND—LAWYERS UNDER CONTRACT

Question No. 2,608—**Mr. Lawrence:**

What are the names of all lawyers and/or legal firms within the constituency of Durham-Northumberland who have received or are receiving payments from the government for legal work since the government took office following the 1980 general election and, in each case, what was/is the amount?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The Department of Justice:

Names	Amounts
Brooks, Harrison & Company	$13,935.45
Clark, James	$ 1,696.63
Fitzgibbon, C.D.	$23,704.27
Hamilton, Irwin A.	$ 229.25
Irvine & Irvine	$ 154.00

DEPARTMENT OF THE ENVIRONMENT—T & H PRINTERS LTD. CONTRACT

Question No. 2,614—**Mr. Stewart:**

Did the Department of the Environment issue contracts to T & H Printers Ltd., for $65,000 and for $42,000 for perfect bound booklets and, if so (a) what are the titles (b) what is the (i) number printed (ii) cost per booklet (c) to whom will they be distributed?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and Supply and Services as follows: DSS awarded two contracts, for perfect bound booklets, to T & H Printers Ltd., on behalf of the Department of the Environment: one for $65,000 and the second one for $42,000.

Contract for $65,000

(a) (i) History and Archaeology.

(b) (i) The contract calls for a series of ten publications with an option for up to 20 additional issues. The number printed is to be determined at time of order.

(ii) The contract specifies that for a basic 75 French copies of 100 pages, the cost will be $912.00 and for a basic 100 English copies of 400 pages, the cost will be $3,178.00. There will be extra charges for additional pages, halftones, etc. and these are included in the total value of the contract.

(c) Department of the Environment distributes copies History and Archaeology primarily to Parks Canada offices nationwide as working documents; in addition, copies are sent to the National Library, the Library of Parliament and to the National and Provincial Archives. DSS distributes free of charge to the principal libraries in the country using a computerized mailing list, and will supply to others upon request; copies are sold to non-governmental researchers and to the general public through authorized retail outlets and directly in response to mail orders.

Contract for $42,000

(a) (i) Surface Water Data Publications.

(b) (i) The contract calls for ten books during the fiscal year 1981-82. The number printed is to be determined at time of order.

(ii) The contract specifies that the cost for 650 copies will be $74.90 per 100 pages saddle stitched and $223.00 per 100 pages perfect bound. There will be extra charges for additional pages, halftones, screened areas, etc. and these are included in the total value of the contract.

(c) The water resources branch distributes data publications to approximately 1100 agencies whose names and addresses are maintained on a mailing list. These agencies include federal government departments, provincial governments, American and foreign governments, municipal governments, universities, consultants, public and private utilities, libraries and private individuals.

Publications are also supplied to users (whose names are not on the mailing list) upon request. In addition, 200 copies of each publication are supplied to the Department of Supply and Services for distribution to government depositories.

[*English*]

Mr. Collenette: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS—MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, pursuant to Standing Order 33, I move, seconded by the President of the Privy Council (Mr. Pinard):

That debate on the motion in the name of the President of the Privy Council (Government Orders, Government business, Number 51) regarding adjournment of the House to October 14, 1981 and any amendment or subamendment thereto, shall not be further adjourned.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed to the motion please say nay.

Some hon. Members: Nay.

Some hon. Members: Yea.

Madam Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I think now it would be in order for us to proceed with the vote without the ringing of the bells.

The House divided on the motion (Mr. Ouellet) which was agreed to on the following division:

(*Division No. 84*)

YEAS

Messrs.

Appolloni (Mrs.)	Ferguson	MacLaren
Axworthy	Fisher	MacLellan
Bachand	Fleming	Maltais
Baker (Gander-Twillingate)	Flis	Marceau
Bégin (Miss)	Foster	Massé
Berger	Frith	Masters
Bloomfield	Garant	McCauley
Bockstael	Gauthier	McRae
Breau	Gendron	Munro (Hamilton East)
Burghardt	Gimaïel	Nicholson (Miss)
Caccia	Gingras	Olivier
Campbell (Miss) (South West Nova)	Gourd (Argenteuil-Papineau)	Ostiguy
Campbell (Cardigan)	Gourde (Lévis)	Ouellet
Chénier	Gray	Parent
Chrétien	Guilbault	Penner
Collenette	Henderson	Pepin
Corbin	Herbert	Peterson
Corriveau	Hervieux-Payette (Mrs.)	Pinard
Cosgrove	Hopkins	Portelance
Côté (Mrs.)	Hudecki	Prud'homme
Cousineau	Irwin	Regan
Cullen	Johnston	Reid (Kenora-Rainy River)
Dawson	Joyal	Robinson (Etobicoke-Lakeshore)
de Corneille	Kaplan	Rompkey
Deniger	Kelly	Rooney
Dingwall	Lachance	Rossi
Dion	Lajoie	Roy
Dionne (Chicoutimi)	Lamontagne	Schroder
Dionne (Northumberland-Miramichi)	Lang	Simmons
Dubois	Lapierre	Tardif
Dupont	Lapointe (Charlevoix)	Tessier
Erola (Mrs.)	Lapointe (Beauce)	Tobin
Ethier	Lefebvre	Tousignant
Evans	Loiselle	Turner
	Lonsdale	Veillette
	MacBain	Watson
	Mackasey	Weatherhead—108.

NAYS

Messrs.

Althouse	Halliday	McKnight
Baker (Nepean-Carleton)	Hargrave	McMillan
Beatty	Hnatyshyn	Miller
Benjamin	Howie	Mitchell (Mrs.)
Blaikie	Huntington	Munro (Esquimalt-Saanich)
Blenkarn	Ittinuar	Murta
Bradley	Jarvis	Neil
Cardiff	Jelinek	Nowlan
Clark (Yellowhead)	Kempling	Oberle
Clarke (Vancouver Quadra)	Kilgour	Paproski
Cook	Knowles	Roche
Cooper	Kristiansen	Scott (Hamilton-Wentworth)
Crouse	Kushner	Shields
Darling	Lewis	Skelly
de Jong	MacDonald (Miss)	Speyer
Fennell	Malone	Taylor
Fraser	Mayer	Thacker
Gamble	Mazankowski	Towers
Gass	McCain	Vankoughnet
Greenaway	McCuish	Wilson
Gurbin	McDermid	Wright—65.
	McGrath	
	McKinnon	

[*Translation*]

Madam Speaker: Motion carried.

Motion agreed to.

Summer Recess

GOVERNMENT ORDERS

[*Translation*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the satisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its "business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Madam Speaker: Order. Before I recognize the first speaker, I should like to point out to the House that normally, when such a debate is held, the Standing Orders provide that we recess for dinner from six o'clock to eight o'clock. Nothing is provided for Friday. The Standing Orders mention Monday, Tuesday and Thursday, but not Friday. I suppose you may decide that we should recess from six o'clock to eight o'clock, as if it were a regular week day.

Some hon. Members: Agreed.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, if that was put as a question to the House, then we would say no to the question.

[*Translation*]

Mr. Pinard: Madam Speaker, I understand that you did not put a motion to that effect. You merely said that on a regular weekday, the House takes recess in the evening from six o'clock to eight o'clock. However, since it is Friday when usually the House adjourns at five o'clock, you conclude that we should normally recess for dinner from six o'clock to eight o'clock. That is what you said and we agree with your interpretation.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, we can talk about this all the time, but you were asking the opinion of the House. This government, which has for the first time in the British Commonwealth moved closure to shut down the House of Commons, is now suggesting that we take two hours of very valuable time enabling us to lambaste the bounders for what they are. The answer is no; they deserve the two hours of lashing they are going to get.

Some hon. Members: Hear, hear!

Mr. Knowles: Madam Speaker, I regard what is now being discussed as quite unimportant; the damage has been done. Since there is not unanimous consent to adjourn for supper hour from six o'clock to eight o'clock, I take it we will sit through until one o'clock in the morning. As I say, the damage has been done.

Madam Speaker: Quite obviously, since the Standing Orders are not clear, I suggested an interpretation which could be taken. However, I would naturally need the unanimous consent of the House to determine we would adjourn from six to eight. Since we do not have unanimous consent and the Standing Orders are silent on this matter, I have to rule on the side of allowing Parliament to debate as long as possible. Therefore, there will be no adjournment from six until eight.

I believe I have two members rising on a point of order. The hon. member for Winnipeg North Centre.

● (1440)

Mr. Knowles: Madam Speaker, just to be clear, although I regard it as unimportant too, perhaps there should be an understanding as to whether we will have private members' hour between four and five o'clock or spend the time on this adjournment motion. It does not matter, but it should be clear.

Madam Speaker: It is quite clear in the Standing Orders that private members' hour must commence at four o'clock.

Mr. Baker (Nepean-Carleton): Madam Speaker, I see that the Postmaster General is seeking the floor. I notice in the record of last night's proceedings in the House that the hon. Postmaster General spoke. He announced his intention to move a motion, and he has now moved a motion. I think it could be argued, and I do argue, that we should consider that he has lost his right to participate further in the debate. He was not contributing very much, anyway.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Perhaps for the benefit of the House this should be done.

[*Translation*]

Mr. Pinard: Madam Speaker, I find the attitude taken by the opposition House leader somewhat inconsistent. He complains that we are trying to muzzle them, and yet he now wants to muzzle the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet). Yesterday, the Postmaster General started his speech; he took only fifteen minutes out of the 40 minutes allotted to him. In his speech, he gave notice of a motion. He moved a motion today but not during the debate on the business of the House. He had the floor. He may therefore continue his speech, except that today, under Standing Order 33, if one reads it intelligently, he may not speak more than twenty minutes. Madam Speaker, if I may, I would like to quote from Standing Order 33 which stipulates that if the resolution is

. . . resolved in the affirmative, no member shall thereafter . . .

And I stress "thereafter".

. . . speak more than once, or longer than twenty minutes in any such adjourned debate . . .

Therefore, there is nothing which says that the member who had the floor when notice was given no longer has the right to speak even though his time may not have expired. The minister never said that he had concluded his speech last night. He had hardly started, and I respectfully submit to you that he still has the right to speak today and, furthermore, that if Standing Order 33 were not being applied, he could go on for about half an hour since he only spoke about ten minutes. However, according to our rules, his time is limited to twenty minutes and he will comply with that requirement.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I was trying to save the House the trouble of listening to the Postmaster General.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: The President of the Privy Council (Mr. Pinard) is absolutely right. Under the Standing Orders, which are quite clear, the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet) can continue his speech, and I therefore recognize him.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is a pleasure for me to take part in this adjournment debate and to note once again how some opposition members take pleasure in abusing the rules as well as parliamentary procedure.

Yesterday the hon. member for Nepean-Carleton (Mr. Baker) was indignant that his colleague from Edmonton-Strathcona (Mr. Kilgour) might be deprived of his right to speak. Today, resorting to the same Standing Orders, he tried to prevent me from taking the floor. That shows to what extent there can be a double interpretation of the Standing Orders of the House, namely one very cavalier and very generous interpretation on the part of the opposition, and another interpretation which the opposition wants applied very strictly when the government is involved.

Mr. Speaker, I think it is important to adjourn Parliament at this time. Today is July 17. We are now at that time of the year when hon. members usually go to their ridings to meet their electors. That contact with the ridings of the country is part of the task of a parliamentarian. It is obvious that the Parliament of Canada, more than all the provincial legislatures, sits during long weeks and long months in the course of a year. Too often our electors tell us that we spend too much time in Ottawa. They do not appreciate how demanding our parliamentary responsibilities can be. And I must say that if they were to spend a few days here, a few hours even, they would realize to what extent we are prisoners of an absolutely archaic parliamentary procedure, Is it conceivable that in 1981 we waste hours and hours because the opposition whip lets the bells ring unduly and does not return to the House to count the votes?

Is it conceivable that in 1981 the hon. member for Winnipeg-North-Centre (Mr. Knowles), who fancies himself as being a parliamentary expert, an ardent champion of parliamentary procedure and a lover of the parliamentary rules of the mother of Parliaments in London, would take it upon himself to waste the time of the House as he did this morning after Oral Question Period by needlessly moving the adjournment of the House for the rest of the day? Mr. Speaker, let people compare the proposition I myself made to adjourn Parliament with that of the hon. member for Winnipeg North Centre who moved the adjournment for the rest of the day because, he said, he is indignant that I proposed to adjourn the House business as we have been anxious to do after a week of useless work in the House where absolutely nothing has been accomplished thanks to the filibuster of the Progressive Conservative Party which has kept us here one week too many, in my opinion. Mr. Speaker, I was saying that it is important that Parliament be adjourned at this time so as to enable federal members of Parliament to spend some time with their electors in their ridings, close to the people who send them to the Parliament of Canada. We in Canada are going through a difficult period with respect to the relations between the provincial governments and the Canadian government.

The provincial viewpoint is constantly being explained and expounded by the MLAs who are in their ridings, sit during much shorter periods than we do and sit only three or four days a week while we have to stay there from Monday to Friday evening, at which time many of us have to take planes to go back to the Pacific or the Atlantic coasts, which means that we spend only a few hours a week in our ridings, while MLAs may spend at least two or three days there.

Since all provincial legislatures have already adjourned and provincial members are, if not on holidays, at least working in their ridings, we, federal members of Parliament, have the duty to go back home and explain to our constituents the programs and policies of the Canadian government. Parliamentarians have the duty to explain more fully the role of the Canadian government in this country. There is nothing better than personal and direct contacts to explain the aims and the role of the Canadian government in the face of the systematic encroachment of provincial powers. Now is the time to adjourn, Mr. Speaker, to get down to this work in our constituencies.

I have another reason for saying that now is the time to adjourn. The vote just held is a good illustration of this. It is easy to see how agitated and frustrated some parliamentarians

have become when we look at some of the interventions in the last few days. It is obvious that while the rules of the Canadian Parliament are designed to protect the minority in Parliament, these rules were made in the last century on the basis of what we call the checks and balances of the British system and English fair play. However, these rules were never designed to give absolute power to an intransigent opposition which forcibly imposes its views and its instructions on a majority which was democratically elected by the Canadian people.

It is an undeniable fact, Mr. Speaker, that we have witnessed during this session an abuse of the technicalities of parliamentary procedure by the opposition parties, and especially by the Progressive Conservative opposition, in an attempt to counter the government's intentions and legislation. Parliament is undeniably the place where such issues should be debated, but it is first of all the place where legislation must be passed. And when the opposition abuses systematically its right to speak to prevent Parliament from voting, I suggest that our parliamentary procedure is seriously deficient and that we must soon correct this situation which allows Parliament to be held hostage by an inflexible and fanatical opposition. It is undeniable that we have not been able to dispose of a great many government measures because the opposition has insisted on extended debates, and even unacceptable debates in my opinion, because I remember interventions which were taken verbatim from previous speeches.

We have seen opposition members read word by word speeches made a few hours or a few days earlier by one of their colleagues, making exactly the same points, harking back to the same views. Not only did opposition members stage filibusters but they rehashed old speeches in order to hinder the normal parliamentary process. People who know the British system, the Parliament in Westminster, are fully aware that legislation introduced for second reading is passed on the same day. Second reading is an opportunity to consider the principle of a bill and the advisability of referring it or not to a committee where it can be examined clause by clause and amended if need be. Such a simple discussion on principle never requires more than one day in London. All important pieces of legislation introduced by the government during the course of the current session took hours and hours of repetitive debates by the opposition, and none of our bills was approved the same day. I find this quite unacceptable in a modern society that has a constant need of a vast number of measures from its central government.

Therefore, Mr. Speaker, we should stop to reflect on that sad state of affairs and as soon as possible after the summer recess ask for an in-depth, major reform of our parliamentary procedure. This would allow a freely elected government to do its work, admittedly with criticism from the opposition. Criticism however should be made with due form and within a reasonable time frame in modern society. And once the government has passed the legislation, the people can then judge whether the government was right or wrong. But as things stand now, Mr. Speaker, I submit that the people cannot even judge whether the government's work is good or bad, because we have all the trouble in the world passing our legislation. We are impeded by a nineteenth century procedure that is no longer consistent with modern times and the hurried way of life of the twentieth century. In the few minutes left to me, I would like to say that the adjournment will have beneficial results on the current negotiations that have just started under the direction of Mr. Justice Gold, the mediator. Mr. Speaker, I think I have ten more minutes. Is this correct?

● (1450)

[*English*]

The Acting Speaker (Mr. Blaker): According to my information the minister's time will expire at 3.04 p.m.

[*Translation*]

Mr. Ouellet: Thank you Mr. Speaker. I still have some seven minutes left to explain to the Progressive Conservative members the serious mistake they made this week by delaying the settlement of the postal strike and leading the Canadian Union of Postal Workers to believe that back-to-work legislation would be introduced. It was obvious, Mr. Speaker, that as long as Parliament would be sitting no pressure would be applied on the union leaders to return to the bargaining table and reach a settlement regarding their collective agreement.

The easy way out for the Canadian Union of Postal Workers is to have a settlement imposed upon them rather than have to go back before their members and tell them: "Here is what the government is offering us, we could not get more, and we suggest that you accept the results of the negotiations just completed with management representatives.

It is always embarrassing and difficult for a union leader who promised them pie in the sky to tell his members that he cannot deliver. But as long as he can give as an excuse the drastic and unilateral effect of a piece of legislation to justify his action, then his honour is saved. That is the idea the Leader of the Opposition and the Progressive Conservatives have tried to plant in the mind of the union leaders all week long by protracting parliamentary business. Now that we are adjourning, I think that Judge Gold will be in a position to carry out his mediation efforts because the two parties, the postal workers and the Treasury Board, will know that the solution to the postal dispute is to be found through negotiation, through a negotiated settlement, because it is the only avenue left now to settle this dispute. I am convinced that this situation will be beneficial and will make things easier for Judge Gold as a mediator.

In closing, may I mention that the opposition has claimed that we want to adjourn Parliament to cover up the so-called uranium scandal. Mr. Speaker, I have been sitting here in Parliament for several years now; not a single year has gone by

without the Progressive Conservative opposition rising to claim there were scandals, that representatives or friends of the government had behaved shockingly. That is an old, lowdown traditional political trick of theirs. Every year, the Progressive Conservatives have nothing better to do than to try to discredit the government's authority and the integrity of the politicians who are members of the Liberal Party of Canada. Not one of them has gone before the courts and been condemned as a result of the alleged scandals dug up by the Progressive Conservatives. Never in all those so-called scandals that were supposedly exposed has anyone been found guilty before the courts!

In the case of the uranium affair, the Canadian government did absolutely nothing improper or illegal. We followed standard procedure; we have nothing to hide. The matter is now before the courts where it will be settled and decided whether or not a few companies broke the law in Canada. No aspect whatsoever of government activity is involved in the matter. To my mind, the irresponsible and unacceptable behaviour of the opposition in this connection is a complete aberration.

● (1500)

[*English*]

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, what we just saw in the tawdry and hysterical performance by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) was culminated by the use of closure for the fifth time in 25 years in this Parliament. It has been used five times in 25 years; yet it has been used two times by this government within the past 12 months. What we see is a pattern developing on the part of this government of gagging Parliament, of attempting in this instance to padlock Parliament to prevent—

Mr. Ouellet: That is because of the abuse of rules by the opposition!

Mr. Beatty: —the representatives of the people of Canada from discharging their business on behalf of their constituents.

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, let us take a look at the history of closure the five times it has been used in the past 25 years. The first time was when the Liberals used it to gag Parliament on the pipeline debate. They said it was urgent that debate be ended and that the vote be taken. The second time was when the Liberals again gagged Parliament in the 1960s to terminate the flag debate. The third time was when they again used the closure rule to gag Parliament, using the same arguments as have been used today by the Minister of Consumer and Corporate Affairs, to change the rules of Parliament to facilitate the government's getting its business through, unchecked by Parliament. That was the third time.

Mr. Ouellet: Oh, come on! Unchecked!

Mr. Beatty: The fourth time was last fall, when this government imposed closure to prevent debate on the Constitution of Canada.

Some hon. Members: Shame, shame!

Mr. Ouellet: After how many weeks?

Mr. Beatty: In all of those instances the government justified its activity on the ground that there were important matters that Parliament should be considering, that there was an urgent public business to be done; that there was a matter which should be dealt with by Parliament, that the debate had gone on long enough on the matter, and that it was time to move on to something else. How does this differ, now that the government has used closure for the first time in the history of the Commonwealth to close down Parliament, to padlock Parliament, to prevent debate from taking place? What is the urgent business which faces Parliament today?

If one listens to the Minister of Consumer and Corporate Affairs and reads the speech he made last night, the urgent business is that it is time for MPs to go on holiday. That is the urgent business. That is the reason closure is being used, according to the Minister of Consumer and Corporate Affairs.

Last evening Madam Speaker prevented the government from closing this Parliament down through subterfuge.

Some hon. Members: Hear, hear!

Mr. Beatty: It was a courageous decision which Madam Speaker made. Let me read, just briefly, two sentences from that decision. She said:

> My ruling is very much based on the right of hon. members to express themselves in this House. This is the most sacred thing that the Speaker must protect—

Yet within one hour of Madam Speaker's preventing this government from closing down Parliament through subterfuge, and within one hour of Madam Speaker's saying that the most sacred right of Parliament and the most sacred obligation of any Speaker is to protect the right of freedom of speech of parliamentarians, this minister, whose conduct in the uranium investigation is very much in question in the House, moved closure which will prevent this Parliament from investigating the conduct of this government.

Some hon. Members: Hear, hear!

Mr. Beatty: The minister said that nothing has gone wrong, that there was no illegal act and that there was no cover-up. Let us take a look at the facts and the history of cover-up on the part of this government in the uranium cartel.

Mr. Ouellet: Repeat the speech that your colleague made last night!

Mr. Beatty: There have been at least nine instances in which the government used the powers available to it to prevent a full investigation from taking place. The first was in the creation of the cartel. The government had two options. It could either have done it the honest and straightforward way by bringing legislation before Parliament, which would have disclosed its plans, and setting it up in the same way as it set up agricultural marketing boards, something which is quite legal, or the government could have done it through secret agreements, through hiding the facts, through subterfuge. It chose to do the latter.

Any study of the public record will show that at the time this was set up, there was very little news released to the public and to the general press. The only information which was released referred to a number of officials who had met to exchange marketing information. No information was released as to the existence of a secretariat, of a policy committee, of a quota system which divided the international marketing, or of a system of bid rigging that Canada engaged in with the knowledge of the Department of Energy, Mines and Resources. These facts are incontestible, and the government itself does not contest that bid rigging took place; yet all of that was hidden. The government operated by secrecy. Indeed, when it was raised by reporters at that time, Mr. Macdonald, who was the minister of energy, mines and resources then, disclosed the fact that something was up when they passed regulations. However, when the press inquired about that on August 24, 1972, *The Globe and Mail* reported this response:

"Because of the nature of the uranium export contracts, it would not be in the public interest to disclose further contract details at this time."

Therefore, the cover-up began in 1972, as this was set up.

● (1510)

The minister says now that they were not aware of anything illegal and that there was no problem. Mr. Speaker, one gets a sense of déjà vu when one hears a cabinet minister say that. I have in my hand a copy of an article which appeared in the *Toronto Star*, the House organ of the Liberal party, an unimpeachable source as far as the Liberals are concerned. It is dated September 1, 1976, and is headlined "Minister denies uranium price was fixed". The dateline is St. John's, Newfoundland, and the article reads as follows:

Energy Minister Alastair Gillespie has denied allegations that Canada has conspired with other countries to fix uranium prices since 1972.

Later, the article goes on as follows:

In denying the allegations, Gillespie said that if anyone could be accused of monopolistic tactics it is the U.S. itself.

Yet what do we find now, in the laying of charges, Mr. Speaker? We find precisely what the government is alleging, that there was an international conspiracy which Crown corporations participated in, which was set up—

Mr. Ouellet: Not true.

Mr. Beatty: —in the boardrooms of the Department of Energy, Mines and Resources in which senior officials of the government participated and whose activities were legitimized by actions of the Government of Canada. When the minister makes a statement like that, why should we trust his word now, any more than we should have trusted Mr. Gillespie's word then?

The second incident occurred in 1976 after the U.S. Department of Justice began its criminal investigation into the cartel. The U.S. congressional subcommittee examined the actions of international uranium producers, and information was sought in Canada. After Mr. William Gilchrist, president of the Crown corporation, Eldorado Nuclear, gave a deposition to U.S. authorities, the federal government at first flatly denied the existence of a cartel, which it euphemistically referred to as a "marketing arrangement", and then enacted the uranium information security regulation, or the gag order.

The regulations went far beyond what was necessary to achieve the professed aim of the government, namely, to prevent the extra-territorial application of the law of other countries. It was claimed that the issue was national sovereignty. What the regulations did was to prevent anyone in Canada from discussing or seeking any information about the cartel. The government admitted this in its subsequent enactment, 13 months later, of less restrictive regulations which applied to government and uranium company employees.

Note, Mr. Speaker, how the regulations dealt solely and expressly with the uranium cartel. The government justified its action, on the basis of a broad principle, that documents should not be subpoenaed from Canada into other countries, yet it rejected the proper course of bringing in legislation to deal with that broad principle. Instead, the government introduced a gag order which prevented discussion in foreign countries or in Canada about the Canadian government's participation in the cartel.

In the same year, the then minister of energy, mines and resources, the Hon. Donald Macdonald, also invoked Crown privilege to prevent the disclosure of information relevant to the cartel, regarding the case Duquesne Light and Electric.

You will remember that when I put the question to the Minister of Justice (Mr. Chrétien) today, Mr. Speaker, and sought the assurance that the government would not again try to impede these criminal cases by invoking the doctrine of Crown privilege to prevent testimony being given by federal officials or to prevent federal documents from being made available, the minister refused to give that assurance.

The regulations had the effect of preventing free discussion of the cartel for a year. In the summer of 1977, the U.S. congressional subcommittee released documents pertaining to the involvement of Gulf Minerals Canada Ltd. in the Canadian producers group. Correspondence from such people as Senator Austin and the unindicted co-conspirators, was included in the package.

Under pressure from the Canadian government, this Liberal government, the U.S. state department had "Specially Confidential" pencilled on the documents and requested the subcommittee not to release them publicly. Due to the Canadian government's past refusal to co-operate with the U.S. authori-

ties, they, in turn, refused to co-operate with the Canadian government and they subsequently released the documents.

The fourth example of the cover-up was that the Uranium Information Security regulations were revised only after the opposition, the Progressive Conservative party, brought an action in the Ontario high court to contest their validity. In order to minimize the potential political embarrassment of a negative decision, the government enacted the less restrictive regulations. These at least permitted some public discussion of the government's involvement in the cartel but, of course, all the information came from the investigation conducted in the United States, not from discussions which took place in Canada.

The fifth example of the cover-up was the government's announcement of a combines investigation which came fully two years after the cartel was exposed in the world press. This development was the result of sustained opposition questioning in Parliament. Of course, there was the added benefit to the government that no information about the subject of a combines investigation may be made public while an investigation was in progress. This short-term political expendient had the effect of putting discussion of the cartel on the back burner.

You will note, Mr. Speaker, that at the time the then minister of consumer and corporate affairs asked the director of combines investigations to undertake the inquiry, an article appeared in *The Globe and Mail* of October 4, 1977 which reads in part as follows:

> Mr. Allmand said Mr. Davidson would be able to look at all relevant documents, including privileged Cabinet documents, during his investigation. "His purpose . . . is to look at all evidence to determine whether there was an infraction of the combines investigation act. This means he has the right to look at documentary evidence, behavioural evidence, conversations and whatever."

But what happened when Mr. Bertrand, the combines investigator, asked to see those confidential cabinet documents? What happened was that he was refused by the government. Today, in the House, the Minister of Justice said that the documents were not necessary for Mr. Bertrand's investigation. That is not so. An article in *The Toronto Sun* of June 8, 1981 reads, referring to Mr. Bertrand, in part, as follows:

> He said that, although he was not allowed to see the secret cabinet minutes, they weren't necessary "to make things any clearer." He refused to elaborate.
>
> A cabinet trustee holding the minutes would not release them despite Bertrand's reminder former consumer affairs minister Warren Allmand had pledged cabinet documents would be available, Bertrand said.
>
> "I think now they're making a distinction between documents and minutes. Mind you, I never made that distinction."

How can the government ask for the trust of the Canadian people when its behaviour in this affair from start to finish, has been so tawdry?

The sixth example of how the government has engaged in this cover-up is that there were two provincial inquiries to nuclear affairs, namely the Cluff Lake inquiry in Saskatchewan and the Ontario Select Committee which sought testimony from the unindicted co-conspirators, Dr. Runnalls and Mr. MacNabb, who both worked for the government. In both these cases the government refused to allow them to speak on matters related to the cartel. This was so, notwithstanding the fact that these were domestic political inquiries and that no question arose as to the need to protect national sovereignty.

The government's argument in the cover-up, from the word go, has been that it was essential to have the gag order to prevent threats to national sovereignty. These were cases in Canada, Mr. Speaker; they were cases where the government sought to prevent evidence from coming out in Canada.

In the seventh example, the Westinghouse Electric Company in England sought evidence for its uranium supply court cases in the United States. This evidence, in the form of testimony and documents from Rio-Tinto Zinc Corp. of London, was crucial to Westinghouse's case, because it could not obtain evidence in Canada and in Australia.

The case was appealed up to House of Lords before it was disposed of by it, and an interesting fact came out; namely that Canada and the other cartel members had applied extremely strong diplomatic pressure to the government of the United Kingdom to step in and prevent the release of the Rio-Tinto Zinc evidence. This point was made by the British attorney general and solicitor general on the motion for leave to appeal to the House of Lords.

The next incident shows that the same sort of pressure was applied in the United States. As the Department of Justice grand jury investigation drew to a close, the U.S. state department prevailed upon the White House to vet the recommendations that the department had sought for criminal indictments. After diplomatic pressure was applied by Canada, however, Gulf Oil Corporation was charged only with a criminal misdemeanor, and was fined $40,000 after pleading *nolo contendere*.

In the ninth incident, the Government of Canada has consistently refused to make public the Bertrand report, the 1972 opinion by D. W. Henry, or the justice department opinion as to the cartel's potential illegality, as well as other government documents relating to the cartel.

We have seen incident after incident of cover-up taking place, so let the minister then not ask for the trust of the Canadian people and say that there has been no cover-up. On August 5, 1977, the Prime Minister (Mr. Trudeau) outlined to the House what he saw as the course that should be followed. At page 8074 of *Hansard* he is reported as having said the following:

> Mr. Speaker, the hon. gentleman is obviously entering into a debate. I indicated yesterday that we would welcome this debate. We will put every fact we have before parliament so it can debate this matter properly. Obviously, this game of putting statements on the record of which I have no knowledge may be profitable for the hon. gentleman, but I do not think it advances the question whether the government at that time either acted legally or illegally. Nor does it answer the question whether we did so in the interests of the Canadian people or not. We are anxious to have this debated—

● (1520)

That is a firm assurance from the Prime Minister of Canada that all relevant documents will be put before Parliament, yet the cover-up has continued.

What is most extraordinary is that the Canadian government initiated the setting up of this cartel. It was set up in large part in the offices of the Department of Energy, Mines and Resources in Ottawa with that department's senior officials. The government, according to a Gulf internal memo dated April 12 from Mr. Coleman to Mr. Minks said that it would follow a four-point program outlined by the producers themselves that would result in a promise of non-prosecution from the Department of Justice and a statement of cabinet approval. Two days later the then minister of energy, mines and resources, Donald Macdonald collaborated by sending a telex advising of cabinet approval, and touching on the four-point program advised the following:

I have been authorized by Cabinet to advise you that the Canadian government . . . has followed carefully discussions among world producers, is preparing to allow Uranium Canada and Eldorado Nuclear Ltd. to enter into an informal world producers arrangement, that in order to be workable all Canadian producers should participate . . . your company is requested to make every effort to adhere to the common terms.

The government was so anxious that Gulf be part of the cartel that it gave Gulf officials department of energy stationary and allowed them to draft Gulf's invitation to join the cartel. This was done and then signed by the federal government.

Mr. Austin told the producers that they could, in effect, write their own quotas and allocations into Canadian law by simply supplying the appropriate figures for new regulations under the Atomic Energy Control Act.

Documents which have been released in the United States indicate that the government has taken every action possible to prevent prosecution from taking place. Even after cabinet made the decision to participate, the government solicited an opinion from the Department of Justice in order to protect the producers, "at least as long as the present government is in power", according to the memorandum of April 12.

This government may be able to close down Parliament. This government can padlock Parliament, but the issue will not go away. The truth will come out. We are determined to get Parliament back on the job. We are determined to get the truth. Nothing this government can do can prevent the truth from becoming known.

Mr. Jack Masters (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, as the House prepares to recess today until October, I go with a clear conscience because, like most other hon. members, I do not really go into a period of vacation but I go to do other things which are necessary to serve the country and my constituents, and to play my part as a parliamentarian.

Miss MacDonald: That is not what Mr. Ouellet said.

Mr. Masters: We have heard many remarks from the other side on the uranium cartel. I do not propose to comment on that because I have colleagues who are better versed in the matter than I am. However, my experience tells me that once the matter is before the courts, and we have been assured that all material will be made available to the courts, the courts are the proper place for the issue to be discussed. If there are other items to be brought to light, the courts, in their wisdom and with the resources available to them, will do whatever is necessary. On that score I feel very comfortable that the Attorney General of Canada (Mr. Chrétien) has behaved most properly.

I have said that we are going to move on to other things as parliamentarians. While I respect this chamber, it does not give the total picture to the public of our duties and own work.

I shall just run through some of the activities in which I will be involved this summer. They will begin on Monday. I will now have an opportunity to be in my constituency on a weekday. This is not possible while the House is sitting, except on rare occasions. I think that most hon. members will recognize that although I am one of the more quiet members, I am usually here from Monday to Friday, as many of us are. I look forward to the opportunity of being able to spend some time in my riding with my constituents for a number of very good reasons.

On Monday an important report on the airport at Thunder Bay will be released to the public. I will be meeting with the mayor and council, the advisory committee which helped prepare the task force report, with the media and many members of the community. I will be able to hear what all of them have to say on this matter.

Transportation is vital to Canada. This is particularly true in Thunder Bay. But while transportation by air is of immense importance to Thunder Bay, I submit that the transportation system which passes through Thunder Bay is vitally important to the rest of the country, particularly to the west. The port at Thunder Bay still continues to be the major eastern port for western Canada through which flows grain, potash from Saskatchewan, coal from Alberta, and so on.

While we are supposedly on holidays this summer, many of my activities will be devoted to meeting with representatives of the Lakehead Harbour Commission, with railway officials and with a special committee of the city council of Thunder Bay in order to discuss the matter of rail transportation as it affects Thunder Bay. While that is parochial in a sense, because I am concerned about what happens in my own community, it is important that the transportation system of Canada remains strong and remains in a position to serve the needs of the country.

We all recognize that rail transportation and our transportation system in general has basically served the needs of the country well, but the question remains: will it be adequate for the future?

Along with many of my colleagues and people in the area, I will be investigating the rail situation in Thunder Bay to see that that end of it is able to handle the expected heavier traffic from the west. On a more intimate basis, I want to study with people who are more knowledgeable than I the ramifications of the recent report on the Seaway, the bottleneck problems at the Welland canal and so on. There is fear that unless something is done over the next few years while the port of Thunder

Bay is operating most efficiently, as it is at this time, by 1985, although it is expected it will be able to handle the expected movement of traffic and goods, it will have difficulty moving the goods down the full length of the seaway. I know that the Department of Transport, along with many other interested parties both in Canada and in our area in particular, is cognizant of that fact and will work toward that end. That project alone will take up a considerable part of the summer for me as a member of Parliament.

There are other things that members of Parliament do over the summer, especially those of us who have far-flung ridings. We have an opportunity to meet the people in our constituencies who like to talk to their member of Parliament and express their concerns first hand. Similarly, we have the opportunity to submit those concerns to the government of the day.

We all recognize that, for the most part, we try to express our concerns to the government in this chamber. But if matters were to end there, the public would not be as well served as it is. I recognize that I am among many members who have vastly more experience than I have been able to accumulate in the 18 months I have been here, but I have observed that ministers are receptive to what a private member has to say, no matter on which side of the House he or she sits. While we go the public route of expressing our concerns in the House, we also have the opportunity to discover individual problems of a constituent or a region. These can then be forcibly presented to the minister by letter, a telephone call or at a one to one meeting. We are then directed to the proper authority in the department. That is part of the process of being a parliamentarian that does not or should not end when the House recesses.

• (1530)

We are supposedly coming back on October 14. However, it should be noted that at any time should the need arise, this House can be called back into session. It is not as though we are going to leave here tonight to enjoy a blissful summer of doing nothing and no longer having any obligations.

Mr. Mazankowski: Tomorrow morning.

Mr. Masters: I thank the hon. member. Very early tomorrow morning. I always was a morning person. We should note for the record that this House can come together should the need arise. All hon. members, certainly those on this side, are prepared to do their duty.

The impression is sometimes gained that if this House is not sitting, the members no longer have any input into government. That is not correct.

Mr. Mazankowski: The minister said you needed a holiday.

Mr. Masters: What the minister probably had in mind is that we have a holiday from being here to go and do other things, something I look forward to. The demands of this past session have been very great on all of us. The committee work has been onerous. The hours have been long. I do not think any of us complain about that. However, a perspective starts to develop here that is not necessarily the perspective we should have concerning the country as a whole. In other words, there is the very real danger of our getting away from the people we are here to serve.

I look forward to the summer recess and to meeting people in all parts of my riding and in other parts of this country. As members of Parliament, it is our duty when possible to visit people in other parts of this land so that we understand our country better. I look forward to meeting these people in more than a cursory fashion. It is an opportunity to hear their complaints and concerns. It is an opportunity for me to acquire a proper perspective in order to represent my area and the country as a whole.

There is something else that I look forward to this summer. In addition to seeing the riding and getting into some of the specific problems regarding transportation, which have more than a parochial connotation and in fact have an impact on the rest of the country, I look forward to a very positive event. It has been positive for Thunder Bay which this summer will have the opportunity of hosting Les Jeux Canada Games 1981. Sometimes we must find other things to do and to think about. We need to find other devices to bring us together.

Les Jeux Canada Games 1981 will bring together over 3,000 athletes to compete in Thunder Bay from August 9 to 22. This is the first time Ontario has had the opportunity of hosting these games which to date have been very successful. I look forward to the most successful games ever this summer.

There is a real need for these games. It brings our young athletes together to test their mettle in an environment that is second only in size to the Olympics. The games will bring to the very centre of this country people from the east, the west, the north and the narrow strip of the south. These people will be able to talk about other things in terms of national unity and getting to know each other.

The games are being brought to Thunder Bay not only because of its geographic location and ability to handle this large scale undertaking. It was recognized that Thunder Bay is a new city in the scheme of things, having come into being only in 1970, combining the old cities of Port Arthur and Fort William. Like this country, it has had to go through a shakedown period, and still faces a real coming together. A statute does not bring people together. That has to come out of mutual trust and contact and takes time.

I am very pleased to report that the citizens of Thunder Bay and northwestern Ontario have rallied around this focal point, Les Jeux Canada Games 1981, and have stopped worrying about whether it is Port Arthur, Fort William, West Fort William or whatever. They know they have a big job to do. They have the opportunity of playing host to Canada for a very important national event. In doing that, our communities have come together.

Some 3,500 volunteer workers will be involved in the staging of these games. In a community of 118,000, when 3,500 people become intimately involved, this has a tremendously profound

effect on the unification of the community. There is a feeling of pride in this coming together in Thunder Bay. This will spill over on August 9 when we proudly open the games and welcome Canadians from across Canada into our community. Easterners will be meeting westerners, Francophones and Anglophones will be together in one place. They will be doing something constructive, striving together for excellence and getting to know each other a lot better.

Sometimes during question period in this chamber we do the country a great disservice. The job of the opposition is to oppose. In opposing, you strike a negative connotation in most instances. It is a job that has to be done. Sometime, somehow, all of us in this House must find opportunities to say, "This is good, this is proper". By creating a negative attitude, we do not serve the country; we do it a disservice. We must learn to recognize what is good and distinguish that from what needs to be corrected. We must maintain a balance.

Les Jeux Canada Games 1981 gives us something else to think about. It is something we can point to with pride. Athletes will be coming from British Columbia, the prairie provinces, Newfoundland, the maritimes and central Canada. They will be meeting together as Canadians, not as easterners or westerners. We often hear the expression, "We are proud to be Canadian." Sometimes we have difficulty in defining whether a Canadian is a Canadian or a Canadian from western Canada or a Canadian from eastern Canada or a Canadian from Newfoundland. However, at an event like Les Jeux Canada Games 1981, we come together as Canadians. I hope that that thought and feeling might have the chance to last a little longer.

● (1540)

As I mentioned earlier, there are many reasons why I look forward to the summer recess. It is not that I want to take a vacation, although I hope I have an opportunity to spend a little more time with my family, as all hon. members would like to do. I want to spend time with my grandchildren, but primarily I will have an opportunity to look at some of the matters which are pressing to northwestern Ontario but also have some impact, I respectfully submit, on the rest of the country. I look forward to having the chance to meet with people and to give them the time I cannot always give. None of us can do so the way we would like while this House is in session. It is only by being able to sit down with individual family men, businessmen and farmers that we can get away from the abstracts and get to the realities. Then we can come back and really try again collectively as a House to do the things which are necessary to continue this country's growth and prosperity.

Despite all the negative things which have been said, I think we can take a great deal of pride in Canada's progress over the last few years. I know hon. members opposite recognize the good things about our country. I hope when they have had an opportunity to reflect over the summer months, they will find that there are opportunities to say positive things. A good idea does not belong to any one party. If it is adopted, if it is good and if it works, everyone should admit it. We have that duty to the people of Canada so that their spirit is raised once in a while. We have a tendency in this chamber to make them feel down sometimes. I do not think we do that intentionally; I suppose it is just the nature of the beast.

As we go into the summer recess, I might say that it is not really a vacation period for any of us in this chamber. It is an opportunity to do other things and to come back in the fall—unless we are called back, for whatever reason, before that, which is still very possible, as we all recognize—recharged and prepared to continue to serve this great country of ours in a more positive fashion.

If I may be allowed just one last commercial, I hope the 1981 Canada Games in Thunder Bay will do its part from August 9 to 22 to provide a unifying voice here in Canada.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in contributing to this debate I would like to touch briefly on a number of subjects, but first I would like to address myself to the events of the last few hours. All of us do silly things on occasion. The government party, for all its failings, usually can be expected to show a modicum of common sense, at least when it comes to questions of political tactics. In the last few days the party which forms the Official Opposition has been going through weird and wonderful motions to extricate itself from the awkward position its members irresponsibly talked it into. A little while ago they stood as fools for everyone to see. However, the government suddenly let them off the hook totally and made a fool of itself with what should initially have been a good proposition. That has to do with the importance and the good common sense there is in having this Parliament adjourn during this period of Post Office negotiations.

I listened yesterday with a great deal of interest to the comments of the Minister of Labour (Mr. Regan). He said—and I agree—that anyone with any experience at all in industrial relations would have to agree that if we expect either of the parties, particularly the Canadian Union of Postal Workers, to make any movement in their position in terms of Post Office negotiations, it has to be made clear—and the possibility of parliamentary adjournment provides for that—that there will be no intervention by Parliament to bring an end to the free collective bargaining process and the right to strike. To do otherwise, particularly with the addition of the irresponsible comments being made by representatives of the Conservative party, would simply delay, delay and delay the opportunity for a peaceful settlement.

Some hon. Members: Hear, hear!

Mr. Kristiansen: We all know it is important, and many of our constituents feel it is very urgent, that this dispute be settled soon, but it is even more important in the longer term public interest that when the new Post Office Crown corporation begins its work later this year as an independent agency, there should be, as much as is humanly possible, restored to that operation some good faith relationships between management and labour so that when they try to get their act together

in an administrative way, they can also have an end, hopefully, to the built in hostility which has been locked into that institution for the last several years.

In addressing that locked in hostility which we all know has been created, we must realize that one of the reasons for it was that the Post Office was set apart from those laws in this country which allow other working people the right to have a say in technological change. When major changes took place within the Canada Post Office over the last few years and working people were denied the opportunity to have any direct say in how their lives would be affected and how the existence of their jobs would be affected, we were sowing the seeds we have been reaping ever since.

We are finally at a position where we have a management and a union which, in a sense, deserve each other. It is difficult to say where the problem started. What came first—the chicken or the egg? However, once we get into that situation, the last thing we want to do is to raise irresponsible ideas in this House which will make the matter fester even more and build in deeper the deep-rooted hostility which surely it is within the public interest that we eliminate.

I find it difficult to find appropriate words to describe the near contempt I feel toward the irresponsible jibberish which has been emanating from parts of this House over the last few days on this subject. Members of Parliament certainly realize some of the horror stories within the Post Office. I think we realize them more than anyone else because we get letters, when the mail is moving, we get telephone calls and we are constantly hearing from constituents about the problems and frustrations they have when dealing with that organization. There is no doubt that it has gone downhill over the last few years.

I find it particularly annoying to get mail from constituents bawling me out for not answering correspondence I have not received, and then I finally get the first letter after I have written back trying to explain what happened. I am sure I am not the only member of this House who has been through that exercise.

Hopefully, we are going through a period now when some of the hostilities will wear down. Hopefully there will be an amicable settlement sooner rather than later, but later if it must be. It is important to build an agreement with which both parties can live in a constructive way but, as I said earlier, it is even more important to set the new Post Office Crown corporation off on an even keel and give it a chance for success.

● (1550)

There has to be an opportunity to introduce new mechanisms, new management processes, and a new climate of industrial relations into that organization. Part of that, and there is provision for it in the new corporation, is to give the people who work in the Post Office an opportunity to have a say in management. That may seem like a pretty far out idea considering the hostility there has been, but I can speak with some personal experience, having been an employee of a corporation which for almost ten years now has had employees on its board of directors. While it did not eliminate the adversary system, which is a process appropriate to the grievance procedure and collective bargaining, it did lead to a much more understanding relationship. By checking out ideas before they were put into practice, we were able to provide employees with a feeling that they were genuinely participating in their own future. This is particularly important to the younger generation of workers. Indeed, the Post Office is a classic example of that, particularly in the major centres. They must find an outlet for the increased education and interest among today's generation of workers.

It saves money. Engineers can come up with all kinds of beautiful plans, whether for a postal system or a sawmill, but unless you check it out first and get some real input from the people involved in the industry, you are going to be wasting hundreds of thousands of dollars, sometimes hundreds of millions of dollars which could otherwise be saved. Again speaking from some personal experience, I know that money is saved and there is a great deal of production time saved as well. You can increase productivity, profits, you can increase good labour management relations. All of those put together are what we need in the Post Office if it is to serve Canadians properly.

Because we do not get the chance very often, Mr. Speaker, to deal with certain subjects in this House, I would like to say a few words now about the Canadian forest industry and some of its needs. Forestry is Canada's number one industry in many respects. It produces a greater share of our net trade surplus than does mining, fisheries, agriculture and energy, including both oil and gas, put together. That is not commonly known. It produces more jobs and revenue per investment dollar than do fisheries and agriculture, and it directly or indirectly provides close to one out of ten jobs in Canada.

The problem is that the industry, and those persons and communities dependent on it, are so widely scattered and diversified across this country that, in fact, they suffer from invisibility, not only to the public but particularly to politicians and governments, especially federal. Being everywhere, the industry is seen to be nowhere. Many members of this House and their assistants do not appear to recognize that the industry in many cases is the biggest employer and the most significant economic and political constituency within their own ridings.

That is a very odd situation. Most politicians are assumed to be a little more sensitive than that. When a lay-off or closure takes place in that industry, usually it is 100, 300 or 400 people affected rather than the thousands who are affected in the auto industry in Ontario. It does not make national headlines and does not appear in *The Globe and Mail* in the mornings before question period. That creates again a disadvantage not only for that industry, but for everyone of us, for government budgets, and for all the spending plans which each of us may cherish in our own way.

The forest revenues, which should be renewable, as well as the industry, suffer the same fate because the impact of such a closure is scattered in our communities. Canadians, whether

they be private citizens, legislators or governments, simply cannot see the lack of forest for the trees. Again, being everywhere it is seen to be nowhere.

This is beginning to change, to the point where all levels of government are now beginning to pay at least lip service to the importance of that industry, the need for action and expanded private and public investment. However, the dollars are still far short of the minimum required, although they have finally stopped shrinking. While it is a subject which lacks political sex appeal, it is a vitally important industry and is extremely relevant to Canada's future. As the coalition of forest management, labour and professionals solidifies and expands—a process which is well under way in British Columbia and beginning in other parts of the country—it may well become increasingly relevant in a political sense. I would urge all members and the government to begin taking it more seriously.

About a year ago, a Mr. Les Reed was appointed associate deputy minister responsible for the Canadian Forest Service. That appointment was seen as a symbol of change and was welcomed by industry management, labour and professionals right across the country. However, we have been waiting and waiting. While there are some good, sound recommendations coming from that service and the deputy, again supported by the industry, we have yet to see meaningful action come out of Treasury Board or the Department of Finance which will give the go ahead to these recommendations so vital to the industry's future. I would urge all members of the government to take these proposals very seriously.

I suspect one of the problems in cabinet is that the forest industry, in spite of the fact it is number one in so many ways in this country, is totally outgunned when it comes to the inner circles of government where the decisions are made. As I said earlier, the forest industry contributes more to our net trade balance than mining, agriculture, fisheries and energy. Yet if you compare those five sectors with forestry, you find they have five ministers as opposed to a half or one third of a minister responsible for forestry because the Minister of the Environment (Mr. Roberts) has several other key responsibilities. He is outnumbered about 15 to one, in fact, in cabinet when it comes to pressing the case of an industry which has so much more to contribute in terms of growth. They are talking now about the possibility of the doubling of real forestry revenues in Canada by the year 2000. That is a possibility if we get our act together soon. However, because it is outgunned in cabinet to that extent, and because of the relative invisibility of that important industry, we are not getting results and people are getting more and more impatient.

In April of this year, Mr. Speaker, the Canadian Forestry Association sent a letter to the Prime Minister (Mr. Trudeau) which I would like to quote from very briefly. It said:

> At the recent annual meetings of the Canadian Forestry Association and our national forestry forum, there was unanimous agreement that I write to you requesting formation of a forestry task force or special forestry subcommittee of the Standing Committee on Fisheries and Forestry.

The letter goes on:

> The proposed Forestry Task Force or special sub-committee would allow selected members of the House of Commons to develop an in-depth picture on forests and forest use across Canada. It should be concerned with the resource as well as its many applications to society, particularly as the latter relates to present and future employment and development, as well as to its other direct and indirect values to our country.
>
> This Forestry Task Force or special sub-committee should be small enough to form a viable working group, should include the Minister of Environment or his designate, the official forestry critics from the Opposition Parties, as well as at least three other members of Parliament who have demonstrated interest and a knowledge on the subject. They should have sufficient funds to enable them to travel (primarily in Canada), to meet key people and visit representative as well as outstanding examples of forestry in practice.

The Acting Speaker (Mr. Ethier): Order, please. It being four o'clock p.m., the House will now proceed to consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions, private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Items Nos. 18, 22, 29, 31, 32, 34, 36, 41, 44, 47, 49 and 51 allowed to stand by unanimous consent.

* * *

THE CONSTITUTION

AMENDMENT RESPECTING TIMING OF FEDERAL GENERAL ELECTIONS

Mr. Arnold Malone (Crowfoot) moved that Bill C-252, to amend the Constitution of Canada (federal general elections), be read the second time and referred to the Standing Committee on Privileges and Elections.

● (1600)

He said: Mr. Speaker, perhaps I might say at the outset that this is a good time for a motion such as this one to come before the House. It has been a somewhat comfortable period of time since the last election. I would not want to deceive anyone by telling him that the atmosphere in the House has been comfortable, but certainly the amount of time since the last election has been adequate. Yet, it will be some time in the normal course of events before the next election is called.

I should like to talk about including predictability in the government's calling of federal elections. Going back to the times of Sir John A. MacDonald, the first Prime Minister of Canada, during the Riel rebellion, in the heat and discomfort of that summer, dissolved Parliament for the calling of a federal election. The last election was actually called as recently as 1979, since the one forcing out the Conservative government was caused by a loss of confidence in the House of Commons. People can reflect back upon the last election call in 1979. There were expectations in early 1977 that we were

going into an election. All through 1977, 1978 and 1979 the citizens of Canada were on hold, basically believing that an election was coming right away.

Essentially, my bill would provide a situation in which four years from the last election we could expect another election. To say that an election will fall on every anniversary date four years hence would cause some logistic problems. For example, the most recent election was a February election; it would commit us for a long period of time to having elections every February. Clause 1 of my bill seeks to repeal section 50 of the act to allow the government four months, either before or after the anniversary date, in which to call an election. Virtually, it is an eight-month leeway or four months either side of the anniversary date. Then the citizens of Canada would know that an election would take place within a specified time-frame. It ought not to be the prerogative of any government to hold off its best legislation, then put it through and, as a surprise, spring an election on the public. Certainly during the years when Lester B. Pearson was the Prime Minister of Canada the country was polled to sample the public mood. When the mood was felt to be a bit sour from the perspective of the government, there was no election announcement; but when the polls showed that it looked right for a win, the government went to the people.

What is wrong with the system as it exists now? The presumption is that the purpose of Parliament is to serve the government in power, whereas the presumption ought to be that the purpose of Parliament is to serve the people of Canada. They should be able to put in place their government, and the tools which make this place function ought not to be solely in the hands of the government. The government should not have the power to dictate, on the basis of polls favourable to it, the calling of an election. In the case of the 1979 election, the government held off for three years before finally calling an election. It would have been only a few more months before the Governor General would have been required to call an election.

The right opportunity for a win is not reason enough for an election to be called. If this bill were passed, the citizens of Canada would know that on the anniversary date four years from the last election, either four months later or four months earlier, or at any time within that time-frame the next election would take place. It would mean that opposition parties, government parties and the citizens of Canada would know what is going on. If the government holds off its best legislation until that period, then they would know what is up. It would be much better than what appear to be deceptive methods used now, where there is ongoing polling and the calling of an election when the government finds the time to be right. The government utilizes its ability to gather information in order to retain power. Elections are called today for the extension of power. They are not called, as they ought to be, with the presumption in mind that the people are the ones who should decide when an election is called.

There has been an ongoing manipulation in the calling of elections. This has been unfair, and the public has been deeply dissatisfied. In 1979, the public expected a snap election. Rumours were flying for at least all of 1977 and all of 1978, which was the normal year for an election. It did not come about because the polls were not ready. Then we were approaching the date in 1979 when the government would have been forced to call it. Yet, the government went almost to the death knell waiting for something to break, but leaving the people hanging as if somehow the running of this institution is only to satisfy the savouring of power by the elected government. I could say that of any party; it ought not to be its power nor that presumption.

I had the experience of attending a university in the United States for six years of my life. While there are aspects of the American system to be commended, others to be criticized and some to be condemned, I sensed the fact that they know that every four years they would elect their president and government made it a much more satisfactory arrangement than the one in Canada where we can have a majority government which on some issue it thinks is popular with the people can call an election and go for another majority government. This process is not used very much in the Parliament of Canada, but it is in some of the provincial legislatures.

We could have a majority government with a two, three or four-year range in which it can actually tease the people by saying that it will be going early. I do not think a majority government should be going early. It was sent to govern. If it has the people, it should be governing; it should not be talking about an election. Also it should not be tormenting the minds of citizens with the notion that next month there will be an election, and then not calling it. The people then wait for the next month, and it does not come. This keeps going on. The people wonder whether there will be a winter election. Then we come into the spring and through the whole next year, and still no election. It tortures the minds of Canadians in terms of when the members of this institution will be replaced. It is simply unsatisfactory.

I realize that putting a fixed formula in place has its limits in that it defies the parliamentary system. My bill would take care of that situation by providing a leeway of 40 days on either side, because a minority government could fall and the election could be called in the midst of winter.

I am sure hon. members will remember that the February election was rather uncomfortable. As an Albertan, I went about knocking on doors in Saskatchewan, and I should like to tell hon. members who are not from that province that it is pretty cold there in February. The steel doors on some of the houses were even colder. Four months later the election could have been held in the spring, and its anniversary date would have been sometime later.

• (1610)

I know how private members' hour works. If the subject matter is talked out, that means those who have talked it out will have denied what the citizens of this country want with regard to having some predictability. They do not want the government, this government or any other, using the election

process purely for political reasons. I will sit down soon since this is not a bill which requires great and extensive explanation. The citizens of Canada know its value. They believe in predictability and want it. I expect that there will probably be a speaker from the New Democratic Party, which is normal. There should be one speaker from the Liberal Party. But if the Liberals choose to put up speaker after speaker until five o'clock, then the people of Canada will be denied the opportunity to have some predictability about when elections occur. That is symptomatic of what they are demonstrating here. They would like to cling to the power they have and embrace it to themselves and call an election for political reasons, not necessarily seeing it as serving the people of Canada but, rather, serving the political party in power. I believe that this bill, while simple in its form, has a great deal to merit its adoption.

I hope that hon. members will make a couple of short speeches and let this bill pass before five o'clock. As I have said, those who choose to speak until five o'clock are effectively denying Canadians the right to know when the next election is coming up, at least this is so in my own riding where I have conducted a simple poll. If Canadians know when the next election is to occur, they can work toward it. This allows them to believe that the government does not hold all the power with respect to when an election is called and to use that power at its whim.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to be able to make a few comments about the bill which is before us today. I must say that it is an engaging piece of legislation and one with which I have some sympathy. Perhaps what outweighs any possible advantages I see in the bill is that in my opinion it is not fitting that a short private member's bill should be the avenue for changing our parliamentary system. This bill would perhaps cause the most radical change to our system if it were adopted. I am not saying it is a bad thing, but it is something which must be given a great deal more thought. Thus, in speaking on this bill I am not in any way saying we should not be looking at it in a serious way, but I do not think this is the proper vehicle to bring about this change.

The parliamentary system, as we know it in Canada, Great Britain and many other countries, is based on the notion that the executive, that is, the cabinet, has these powers but it is nonetheless at the mercy of Parliament. If Parliament decides at some particular point in time to vote against a government on a major issue, as took place on December 13, 1979, then the government is defeated and an election must ensue.

I can see some great advantage to having a fixed term. Certainly if you are sitting on this side of the House, as members opposite did a year or two ago, there is a great advantage to having a fixed term. It was of great advantage to my party a few weeks ago, when we were dealing with a major money bill, and we had only five or six more votes than the opposition. There are many times when members on this side of the House must be here. Anyone in government will know you have to be here more often than do members of the opposition since you do not know how many of them will come out to vote. There is a great deal of insecurity caused by this situation.

I would like to look at the American system for a moment. I think more of us are familiar with that system, perhaps, than with any other system, with the exception of our own. I would like to look at a system which operates under fixed terms, a two-year term for congressmen, a four-year term for the president and the executive, and usually a six-year term for the Senate. These terms are set out in the constitution and there is no possibility of change with regard to them. I think we should look at this system to see the advantages and disadvantages associated with it and then adopt the best provisions for our system.

For a good portion of my life I have been very interested in the American system of government. I spent a great deal of time studying the American system of government in university, and I have visited Washington many times. I am always amazed at how the Americans make the system work at all. It is a system in which the executive body is separate from the legislative body. In our system, they are one and the same. In the American system, there are so many checks and balances. For a long time it has been a mystery to me how bills ever get through the American system. One of the major reasons for this is the intense politicization which goes on in the United States. People are constantly lobbying their representatives. Politics is a deadly serious game. One of the reasons for this is that bills are initiated in the Congress or the Senate where there is no tight party discipline. If a bill is defeated, the government does not fall.

Let us look at some of the advantages and disadvantages of this type of system. I think one of the real advantages to the American system is the fact that it is much less adversarial than our system. In that system, you cannot sit down and make a deal with another member. In ours, you can sit down and reach agreement with your opposite number, which means that we are not constantly exchanging violent and rabid debate. We are not constantly fighting. As time goes on, and certainly with the advent of television in the chamber, and the upgrading of the question period, I feel that the adversarial part of our system is not working well. Some strains are developing because we are constantly fighting with each other. Perhaps the fight might not be as real, but the public perceives us as being constantly in a quarrel. That is not true to the same extent in the United States. There is no question that the fact that one may vote on one side or the other side of the issue and that party discipline is not nearly as strong is one of those things which removes the adversarial part of it, and I think that is an extremely important fact.

● (1620)

I have talked to congressmen and I have talked to people who work in the congressional office. I have talked to lobbyists in the United States. There is constant, ongoing lobbying and constant politics. Someone from another party may absolutely and entirely disagree with one's views; two people may disa-

gree, a Democrat and a Republican, but one may still make a deal with them and say, "Do not be too harsh on this, and I will not be too harsh on that." That is constantly going on. I think that a lot of this, or most of this, comes from this fixed term idea. This is where one of the big disadvantages come in. When there is constant lobbying going on, when there is constant pressure, and when individuals are singled out, they could fall one way or the other on a bill when it is an individual sort of thing; and there is a great danger—I do not say that it is widespread—of corruption developing. As a matter of fact, I think Canadians get the backlash of this. Canadians look at the American political scene. American TV portrays congressmen as being politicians with their fingers in the till, as being people who are in some way corrupt. One sees this constant discussion about corruption in American politics. There is wheeling and dealing going on.

Mr. Malone: And in Canadian politics?

Mr. McRae: I think most of it is upright; but there is wheeling and dealing going on all the time, and we do not have that here.

Mr. Malone: You want to bet?

Mr. McRae: Maybe in committee we might sit down and make a deal on a certain amendment, but it is very rare. In the American system, it is a constant thing.

Mr. Malone: Where have you been?

Mr. McRae: We are politicians in this House, as there are politicians in the American Congress and in the American Senate. However, because of the closeness to the American scene, the fact that Canadians are exposed to American TV and so on, Canadians begin to see politicians in this light, as wheelers and dealers, as people who have fingers in the till, or people who are being influenced by this lobbyist or that lobbyist. That is not the correct picture in this House of Commons.

Certainly, there are some lobby groups which will come around; but basically speaking, we do not make deals, because we tend to be in an adversarial situation. One of the disadvantages that I think stems from this fixed term is that one develops this constant political activity, and from that comes some corruption, and from that comes the notion that politicians, in some way or another, are seedy characters who are influenced by groups which may or may not be on the up and up, and so on. Therefore, this is one of the disadvantages that I see. One leaves oneself open for the kind of corruption, or the kind of apprehended corruption, which is really not possible under our system.

I suppose I could count on one hand, in nine years in this House, the number of times that I have actually sat down with an hon. member opposite and said, "Can we get this thing through, or can we do something like that?" It is just not done to any great extent. It is done by the House leader, but it is usually only done at that level. There may be people who have opportunities to do more of this, but I do not think that is the situation. I think it is a shame that we as Canadian politicians and as members of Parliament are labelled as wheeler-dealers, because we really are not. We really do operate in this House in a very adversarial way, in a much more adversarial way than do the Americans.

I think there are other things we could say in terms of advantages and disadvantages. I have a feeling that when there is a fixed term, as there is in the United Stats, the election is constantly in progress. One knows the date, one always has it in one's mind, and one is working toward it constantly. When we are in this situation where we do not have a fixed date, where we have some kind of feeling that in three years down the line, or every four to four and one-half years, there will be an election in this country, one is not so tied down to a date and to an idea that one must meet a certain objective.

I watch the American congressional elections, and certainly, the presidential elections. I think that for a good two years, the Americans are at it. They have this date for the presidential election well in front of them. They are into primaries, pre-primaries, post-primaries, and a whole host of things, and it goes on for years and years. I do not think that is the case, to the same degree, in this country. Certainly we are well aware of the fact that two or three years down the line, that will happen. However, if there is not a fixed day, something that one can really grab, then I am not so sure that people tend to take it nearly as seriously or work only toward that objective, as they do in the American system. I think that is a rather bad feature of the American system. Again, it lends itself to that intense politicization which carries some dangers with it.

I do not come down on either side, because I thought about it. This is not something that I just thought about ten minutes ago, picked up and said that I would speak on it. I have thought about it a great deal. I want to say that I have not really decided, in my own mind, which way we should go. First, I would very much like to see steps in this House, through our parliamentary system, to limit, to cut down the amount of adversarial activity which goes on. Really, between parties, we are not all that far apart.

Mr. Malone: Oh, yes, we are!

Mr. McRae: Certainly, there are people on all sides who relate very well to people in other parties.

Mr. Malone: Not to you!

Mr. McRae: That is true. I may be one of the more progressive members of my party, but there are certainly people in my party who feel differently from me. It is certainly a good thing that we are able to sit down and talk to each other after we leave this House. But still and all, I think it is important that we work toward a less adversarial system. I think we should be trying to find more common denominators than we have. However, I have some really serious worries about intense politicization, the fact that we will be lobbying each other, and that we will be lobbied by everyone else if we come into a fixed term.

Therefore, for these two reasons, I would not support this bill at this stage, although I think there is a concept here which is really worth looking at. I go back again to say that I think it should be looked at in a much broader way, than just in a private members' bill. This is no reflection on the private member. I welcomed the fact that he raised it. However, we must also remember that the basic parliamentary system is based on the idea that the executive has the confidence of Parliament, and that when it loses that confidence of Parliament, that is, when it is defeated by Parliament, the government ceases to exist and an election is encouraged.

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, the purpose of Bill C-252 is to provide an element of predictability in the calling of federal general elections at fixed dates, thereby replacing British North America Act section 50 which reads as follows:

> Every House of Commons shall continue for five years from the day of the return of the writs—

Section 50 could be repealed or amended to read as follows:

> Every Parliament shall continue until dissolved by the Governor General, which shall be not sooner than four years less forty days, nor later than four years plus forty days—

In fact , it would be established that general elections would be called at fixed dates every four years.

Of course, when the bill was introduced in the House, one of its supporters, the hon. member for Crowfoot (Mr. Malone), emphasized certain positive aspects, but with very little conviction, it must be admitted. It has been said, for instance, that if the dates were fixed we would be able to gather on Parliament Hill on July 1 and hand out certificates and other things. That is a positive aspect of rather limited value. On the other hand, we must recognize that such a decision, in my opinion, would lead to radical changes in the operation of Canada's current political system. A government in office must indeed enjoy a certain flexibility. It will always be argued that such a flexibility will be used only for political and partisan purposes, the fact of being able to extend a mandate somewhat, and hon. members opposite believe that the intent is simply to leave enough room for the government to call the elections at the best time, at the most appropriate opportunity.

However, it must also be realized that in order to administer the country properly and run the country's business, a government must have a certain flexibility. It must be realized as well that at times when crises occur and a government cannot set a date to adjourn Parliament and simply forget what is happening. For all these reasons, I find it somewhat strange to have such a bill before the House when we have so many more important matters to discuss. We could discuss setting fixed dates for sessions, such as is the case for the National Assembly in Quebec. We would then know when the session would begin and when it would end. There are many other important issues that could be discussed in this House. We could talk about parliamentary reform.

However, I do not believe that the bill now before the House should receive so much attention or deserves as much consideration as the hon. member opposite seems to want to give it. I shall therefore be very brief and simply say, Mr. Speaker, that I do not consider it most urgent or necessary to approve this bill. In my opinion, if we were to decide that this bill is more important than we realize, I would prefer that it be referred to a subcommittee to be studied in depth. However, for my part, Mr. Speaker, I do not agree that this is so, and I must say that I really cannot support this bill.

• (1630)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, I should like to say a few words on this bill and commend the hon. member for Crowfoot (Mr. Malone) for bringing it before the House for discussion. This bill in no way suggests that we eliminate the British parliamentary system in favour of the American system. It provides that the government must always maintain and retain the confidence of the House in order to stay in power. In spite of what the hon. member for Thunder Bay Atikokan (Mr. McRae) suggested, I think that is the difference between the two systems. At no time does the bill suggest that the government should stay in power for four years if it loses the confidence of the House. But, as the hon. member for Crowfoot said, it provides an element of predictability.

As things are today, we do not know when an election will be called; it could be at any time during a five-year period. The only thing that we do know is that it must be held five years from the time of the last election. That is the only fixed date we have, and it is seldom used by governments in this country, provincial or federal.

I think the hon. member should be commended for his bill and I should like hon. members of the House to consider the merits of it. Does the bill do away with some of the difficulties we experience today as the result of having no fixed day for an election? If so, the sensible thing would be to send the subject matter of the bill to a committee where necessary changes could be made to it. The hon. member for Thunder Bay-Atikokan mentioned he also had some thoughts along this line and it is possible that other members have as well. If the bill should go to committee, then we could receive input from different parts of the country and in the end, have a better Elections Act than we have at present.

One of the objections that I have to the present act is that it disenfranchises too many people. For instance, an election may be called during holiday time. No one knows how to plan his extramural activities in order to make sure that he is in the constituency at the time of the election. There have been elections in the months of June, July, August and September and, as a result, many people have claimed that they were disenfranchised. The election must be called within a limited number of days from the date of the proclamation, and there is

a proposal before the House to reduce that from the present 63 days. Many people could be out of the country or away at college or doing anything at all and, under the present system, they could be disenfranchised. It could be argued that if there were a fixed date for an election, people would still be disenfranchised, but the number would be few because, generally speaking, they would know the date of election.

This bill provides that an election be held forthwith on the defeat of the government as is the case at the present time, and I would not want to see that changed. A government should never remain in power when it has lost the confidence of the representatives of the people. On the other hand, although this bill would make the date of the election flexible, it would give the government the opportunity to set a date for the election if it should lose the confidence of the House. It also has the advantage that instead of having a general election, the Governor General could call upon the Leader of the Opposition to form a government. That might well save the expense of an election, if the leader could get the confidence of the majority of the members of the House. An exact date would have a great deal of merit. But that has some disadvantages. This bill has suggested that 40 days be added or taken away from that particular date. That concept has some advantages and some disadvantages and is another reason why the bill should go to committee to be discussed. We should not think because we have one method now—that of calling an election only when the government wants to call one—that there is no better way.

● (1640)

The strength of the present system gives the Prime Minister of the country or a premier of a province the opportunity to call an election at a time most advantageous for his particular party. It might not be most advantageous for many people or in line with the general thinking of the population. Consequently, the present election system favours the party in power. That might be all right if you are in power, but if you are not in power, people could have different views with regard to that point. Putting the power in the hands of the prime minister or a premier of a province to call an election when he or she wants and when it is most advantageous for a particular party gives an advantage to one party rather than to the people.

However, there are some disadvantages with regard to a fixed date for an election. Some people say a fixed date means you have a four-year election campaign. I am not so sure that is so. In the period from April, 1977, through to 1979, thousands of people in Canada wanted an election, but it was not called until well on into 1979. The election was called almost at the time it was mandatory. Campaigning went on in anticipation of that election for almost two years. I suppose in the United States it goes on for four years. That same situation occurs here, too. I start my election campaign the day after I am elected by trying to serve the people who elected me. I think every hon. member should be doing that. All of us look forward to the next election whether it is a fixed date or not. I do not think that aspect will change very much. However, I think this bill has enough merit to go to a committee so we can get input from the people in the provinces. I emphasize the words so splendidly spoken by the mover of this motion that the bill not be talked out but that the merits of it, or otherwise, be looked at by a committee in order that we can have the best general election act possible in the country.

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, I have listened with great interest to the speeches made by hon. members concerning Bill C-252. When I look at a piece of legislation, I always ask myself the following questions: who will win, who will lose, who will benefit and who will not benefit. Immediately I see that the person who will not benefit is the prime minister of Canada. He would lose the power to call a general election at his convenience.

I think hon. members will recognize that when the prime minister does call an election at his convenience or otherwise, he has to live or die with the decision he takes. There is responsibility in the decision in that he must abide by the results of his action.

I thought it would be interesting to take a look at what has happened in the past. I ask hon. members to cast their minds back to 1957. An election was called by the then prime minister, Louis St. Laurent. He was defeated. We had an election in 1958 called by the then prime minister, the Right Hon. John Diefenbaker, who won the most overwhelming electoral victory Canada had ever seen. In 1962 an election was called by the then prime minister, the Right Hon. John Diefenbaker, who suffered the most significant loss of parliamentary seats that has ever been suffered by a prime minister. Such was the majority gained in 1958 that he was able to continue in power until 1963. In 1963 the Right Hon. John Diefenbaker lost the confidence of the House of Commons and he was eventually defeated at the polls. In 1965, the Right Hon. Lester Pearson called an election without a cause. He was rebuffed by the electorate. In 1968 an election was called by the newly elected leader of the Liberal Party who later became prime minister, the Right Hon. Pierre Trudeau. He received a substantial majority in that election. In 1972 he called an election at his convenience and was severely rebuffed by the electorate. He hung on to power with two seats. In 1974 the House of Commons again voted non-confidence in the Trudeau government, but his government was restored to power by the people of Canada.

Mr. Kilgour: That was a real tragedy.

Mr. Reid (Kenora-Rainy River): In 1979 the Right Hon. Pierre Trudeau called an election and he lost that election significantly. In 1980 when the House expressed non-confidence in the Conservative government, the government headed by the Right Hon. Pierre Trudeau was restored.

Mr. Kilgour: That was another tragedy.

Mr. Reid (Kenora-Rainy River): Even though a prime minister may have this power to call an election, if hon. members look at what has happened, this power has not been

abused. It is a power prime ministers have had to pay for having.

There seems to be no correlation between when a prime minister calls an election and what the results are. I would say there are two exceptions, however. In 1958 Mr. Diefenbaker used the power with devastating effect and in 1968 Mr. Trudeau used the power with devastating effect and in 1968 there was another set of circumstances at play. Both Mr. Stanfield, who was then leader of the Conservative Party, and Mr. Trudeau who was then the leader of the Liberal Party, were new and both were seeking mandates. The election of 1968 was welcomed by both sides. If we want to change the system, we must first find out where the abuses are. Have there been abuses? There has been no evidence, at least in the last 20 years, of abuse.

Mr. Malone: In 1979.

Mr. Reid (Kenora-Rainy River): In 1979, the hon. member who is the sponsor of the bill says. I refer hon. members to what happened in 1979. The prime minister of the day was defeated. A new government took office. The point of the exercise is that the prime minister, having the power to call an election at his convenience, called it and he was defeated. It may be that he used the power incorrectly or he called the election at the wrong time. But I cannot understand hon. members saying that that was an abuse of power.

If you can find only one exception in the last 20 years, it seems to me there is no powerful case to be made, and the hon. member has not been able to make it.

I want to take another look at the equation. Specifically, who wins and who loses? In this case the prime minister would lose. Who would win?

Mr. Kilgour: Democracy.

Mr. Reid (Kenora-Rainy River): The hon. member for Edmonton-Strathcona says that democracy would win. I do not see how democracy would win by having an election on a fixed date.

Mr. Malone: Because the people would know.

Mr. Reid (Kenora-Rainy River): The hon. member for Bow River indicated in his argument that it would be more convenient to have an election on a specific day. But convenient for whom? It would be convenient certainly for those of us in the House of Commons. He has indicated some doubt as to whether the totality of the population would benefit from the concept of an election at a fixed time. I see no particular argument for a fixed date. If one takes a look at what actually goes on, we do have elections at fixed times. We have an election on the average about every three and a half years. By stating an election must be held every four years we would be denying the Canadian people the opportunity to pass comment on their elected representatives more often than they do now.

• (1650)

I do not advance that as a serious argument, but I do say that the arguments of convenience or predictability do not hold much water. I say that for two reasons. First, there would be no predictability, as we have seen in the last 20 years. We have had three elections where governments have lost the confidence of the House. Under the bill of the hon. member for Crowfoot, we would still have elections. Those elections would be held when the time came, irrespective of whether or not there was a fixed time. The next election, presumably, if it went to its full term, would be held four years, plus or minus 40 days in advance or behind, a total of an 80-day variation.

Again we are not looking at predictable times or fixed times. What we are looking at is a bracketing of times. We are looking basically at removing flexibility in the system and putting it into a system which would have that much less flexibility.

We have to see what are the abuses we want to correct. The hon. member has not been able to adduce any. What are the benefits we would achieve by making this change and the benefits we would get by some form of predictability? On his own evidence and in his own bill, this would not be very much more predictable than that which we already have.

If the hon. member is not able to make a case that is powerful and strong in terms of abuses and powerful and strong in terms of benefits, why should we proceed to committee? Why should we put more time into this kind of proposal when the hon. member has not made his own case?

I want to deal with some of the questions which were raised by the hon. member for Thunder Bay-Atikokan (Mr. McRae), that is the question of the American system versus the Canadian system. I must confess that I have a completely different focus of attention than he does. What we are dealing with is not necessarily the Congressional system versus the parliamentary system. We are looking at two contrasting parliamentary systems. It is important to recognize that when the American revolution took place, they basically adopted the British Parliament way and froze it. We have taken the British system since that time as it has developed and grown. Consequently out of that we have had two distinct political cultures.

One of the things people complain about in our system is that it is too adversarial. It may very well be, but by and large what we are here to do is to argue out different points of view. We are here to argue in this House at least three separate points of view on the issues that come before us. There is nothing in the party structures in the House that I have ever seen that has prohibited the very strong presentation of the regional point of view. In my view, nothing has stopped the government of the day from accepting those regional points of view in decisions that are made.

I can recall when I was in opposition that we had a problem with VIA Rail. The minister of transport of the day sat down with the two members concerned. We discussed it and he came forward with a solution which, while not everything that I asked for, certainly took into account the needs of my region. I

have seen ministers on this side do that time and time again as well. There is an attempt to accommodate. I make the argument that while there is a political structure that operates in an adversarial way, that merely takes into account the kind of political culture we have and the types of political parties we have.

The second point I make is there is also room in the system, as we have all seen, to ensure that the regional interests and local interests of members are taken into account and to ensure that the government is flexible enough to take into account those needs which members on all sides of the House see as important to their areas, constituencies and regions.

I argue that when one starts to tamper with a system in a constitutional sense, the arguments to do so have to be powerful and strong. The point the hon. member is getting at in his bill is not one to be solved by dealing with the constitutional structure of the land. Instead, it is one that has to be dealt with in terms of the context of what I would call the political culture of Canada in the way in which we as parties organize ourselves in the House of Commons and in the country and the way in which we find it necessary to avoid setting any kind of fixed schedule which interferes with the political programs and activities we have in mind. I have been an advocate of fixed sitting terms for the House of Commons.

Mr. Baker (Nepean-Carleton): So have I.

Mr. Reid (Kenora-Rain River): We have not succeeded in being able to do that because by and large most members have found that it is more convenient for them in terms of the political responsibility which they bear not to fix the sessions of the House of Commons. The same argument applies equally, and perhaps more forcefully, to the constitutional proposal that my friend from Crowfoot has advocated.

I confess to having another reason for being concerned with proceeding with this bill. When you have a system that is seen by the Canadian people and the electorate as being reasonably acceptable and fair—note I did not say absolute but seen as a workable system and fair—it strikes me that when we begin to tamper with it, without powerful reasons for so doing, we begin to chip away at the kind of confidence that we have built up laboriously in our system over a long period of time.

I raise the point because if you look at the activities of a democratic system of government across the whole world, this kind of system of responsibility to the electorate is very much in peril and very much in a minority in the world. It is a system that is not growing. It is not a system where other countries are moving in to take advantage of it. We see a great many adaptations but we do not see the kind of four square democratic process that we enjoy in the North American and western countries. It is not a system that is growing. It is a system which is inherently fragile, one that has to be looked at very carefully and dealt with carefully as well.

When we start moving in to change the rules of the ball game without a necessity, without a powerful argument, without abuses to be corrected, then I have to say that I am not one of those who can see taking this bill any further. The hon. member for Crowfoot (Mr. Malone) has performed a service. He has demonstrated the use of this rather unique private members' hour by bringing forward the proposal so that we can examine it. By so examining it, we can see whether the hon. member has made his case. The hon. member for Bow River (Mr. Taylor) made a number of points.

Mr. Kilgour: On a point of order, Mr. Speaker. Would the hon. member permit a question if I do not interfere with his right to talk out the bill?

Mr. Reid (Kenora-Rainy River): Yes.

Mr. Kilgour: It is a soft question to the hon. member. If the hon. member does his arithmetic, he will discover that there have been ten elections since 1952. We have had ten elections in 29 years. Would he agree that works out to one election every 2.9 years? Does that affect his argument in any way?

Mr. Reid (Kenora-Rainy River): Mr. Speaker, the sequence that I took started from 1957. However, it does affect the argument I was making. My argument was that by analysing each election that has taken place, to look at whether there have been any abuses of the power of the prime minister or whether there has been anything we could see as a culpable bona fide abuse of the system, my conclusion is that if you go back to 1945 you will find there was probably no abuse of the system. In fact, the only one I can think of that would be of real interest would have been the election of 1917 during World War I when, in my judgment, Parliament acted improperly, although not illegally. In my judgment, the election was not done properly, but again it was not illegal.

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business has now expired.

● (1700)

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

The House resumed consideration of the motion of Mr. Pinard:

That, when the House adjourns on the day this order is adopted, it shall stand adjourned until Wednesday, October 14, 1981, provided that at any time prior to that date, if it appears to the statisfaction of Madam Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time, Madam Speaker may give notice that she is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Madam Speaker's being unable to act owing to illness or other cause, the Deputy Speaker, the Deputy Chairman of Committees or the Assistant Deputy Chairman of Committees shall act in her stead for all the purposes of this order.

Summer Recess

The Acting Speaker (Mr. Ethier): When the debate on the motion to adjourn the House was interrupted at four o'clock, the hon. member for Kootenay West (Mr. Kristiansen) had the floor and had three minutes remaining.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, just prior to four o'clock I was making an appeal to the government that, in line with the request of the Canadian Forestry Association, there should be a special task force or special subcommittee on the forest industry.

It is one of the anomalies of the Canadian political and industrial scene that it sometimes takes a work stoppage such as the one now taking place in British Columbia, where the industry there accounts for significantly more than half of the Canadian industry, for people to realize how important the forest industry is to this country in terms of government revenues and the spin-off throughout the private and public sectors.

As do the Canadian Forestry Association and many others throughout the industry, I believe that a task force or some other means is needed to draw certain matters to the attention of the public in a concrete way. We must take advantage of the increased joint interest demonstrated, for instance, by the Canada Forest Congress held last September in the city of Toronto, and the renewed interest and the working together of management, labour and professionals throughout that industry from all parts of Canada. Such a committee could take advantage of that interest and that tripartisanship, which is really a first in the history of this country to take place on such a dramatic and important scale.

The attention of the public across Canada, including politicians, should be drawn to how vitally important it is that we begin paying some attention to the supply side in the country. I suppose I am what is sometimes called a supply side socialist. That in itself may be an anomaly to some people's way of thinking, but within the democratic left many of us have been very interested in the productive side of the ledger for many, many years. Most of the arguments, no matter from which party they emanate, seem to refer most often to the problems of distribution. It certainly goes without saying that unless the industry which produces more for our balance of trade than all of the other major industries, other than manufacturing, combined, is in a healthy state—and it is not in a healthy state today—we are in for very serious trouble as an economy and as a society.

The last point I want to make was commented on to some degree by the Minister of Labour yesterday. It relates in a sense to the stoppage not only in the Post Office but also in the forest industry. There are some in the House who decry the right to withdraw one's labour. That right is as old as Magna Carta. I believe the phrase was "No man shall be forced to build bridges". The right to strike was not granted by government. The right to withdraw one's labour was not granted by government. It exists because it was claimed and because it was exercised, and when government recognized that right it did, by so doing, limit it—

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. gentleman, but his allotted time has expired.

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I welcome the opportunity to speak this afternoon. Indeed I feel compelled to speak this afternoon in defence of the uranium industry. I feel that there should be some perspective put into this entire argument, and I ask members of the House to bear with me for a moment while I talk about the situation as it was in Elliot Lake, an area adjacent to my area, some years ago.

This area is a one-industry town. It is a uranium town, and I urge the people in this House again to ask themselves, "Was I there?"—I do not mean here in the House, I mean there in Elliot Lake—when the markets went bust. It was not a pretty sight. People who had invested heavily in brand new homes had to pack up and leave. People who had invested in businesses walked away from them. A brand new booming town boarded up is not a pretty sight. It was a very, very difficult situation, and those of us who lived in the north were suffering very badly in that situation. I was there. At that time I was the mother of young children. We were in business, and people such as ourselves were desperate. We were very, very grateful that the government acted responsibly and wisely to help the uranium industry.

The other day an hon. member was brandishing a copy of the UCAN annual report and suggesting there was something subversive in the report and something not of benefit to Canadians. However, the hon. member neglected to read the report. I suggest it is a success story and not a failure.

How did UCAN come about? May I fill in the background? UCAN is a Crown corporation created by this government. Why? To buy uranium when nobody else was buying it, to save an industry, to save jobs, and to save a town. It was successful beyond its wildest expectations. I would like to read the president's letter included in the annual report:

Sir,

On behalf of the Board of Directors, I have the honour to submit the Annual Report of Uranium Canada, Limited (UCAN) for the year ended December 31, 1980.

UCAN's task over the report year has been to administer the Government's general stockpile of uranium concentrates which were acquired during the 1963-70 period. As action has been taken subsequent to the end of the report year to transfer this residual stockpile to Eldorado Nuclear Limited, it is appropriate that I take this opportunity to review briefly the performance of the Corporation as manager of the joint venture and general stockpiles.

In summary, the following specific actions have taken place:

1. A joint venture uranium stockpile was developed with Denison Mines Ltd. and later sold to Spanish utilities over the period 1972-78 together with a portion of the general stockpile. UCAN's cost of acquisition for its 76 percent share of the joint venture stockpile and the acquisition cost of 1,075 tonnes of uranium from the general stockpile was $44.2 million; its net revenue from the sale was $81.6 million, resulting in a net profit for the Crown of $37.4 million.

2. As administrators of the Government's general stockpile UCAN sold 769 tonnes of uranium to Japanese purchasers and realized net revenues exceeding the original $10.5 million acquisition price by $13.2 million.

That is a profit.

3. The Corporation has also supported Canadian uranium producers and consumers through the loaning of stockpiled material as described in this report. Through these transactions the Corporation has realized actual revenues of $8.8 million plus long-term interest receivable of $18,147,966.

During that period.

As a result of these combined transactions the Corporation had either earned or was owed net revenues on December 31, 1980 totalling $132.2 million. This exceeds the original purchase price of the uranium sold by $77.5 million, which, in turn exceeds the original acquisition price of the residual 5,572 tonnes of uranium which has now been transferred to Eldorado Nuclear Limited.

Not only has the Government's uranium stockpiling program been a financial success, it brought stability to the dependent mining communities during the doldrums of the 1960s and has provided support to the mining industry during the chaotic marketing conditions of the early 1970s and the rapid expansion programs of the late 1970s. The uranium refining operations of Eldorado Nuclear Limited have also benefited in a number of ways.

For all these reasons, it is with considerable satisfaction that, on behalf of the Board of Directors, I submit this annual report of Uranium Canada, Limited.

For the Directors,

G. M. MacNabb
President

I suggest to members of this House that this is indeed a success story, and I shall tell hon. members that a visit to Elliot Lake would prove beyond their wildest dreams that what Canada did during that period, and what Uranium Canada did for the uranium industry, was indeed a success. I invite hon. members to come to Elliot Lake to see what a boom town is all about. I invite them to examine our uranium industry here in Canada to see how healthy it is and how well it has served Canadians and Canada. I personally find it offensive that those officials of this company who have worked diligently on behalf of Canadians for the industry are now being attacked by hon. members opposite.

The stockpile was intended to save the industry, and it has done that very well. I, for one, am very proud of the actions taken by this government during that very difficult period, and I can tell hon. members that the people of northern Ontario and the people involved in the uranium industry are extremely grateful for the responsible actions the government took.

● (1710)

I suggest to every member of this House that they take the time to read how thoroughly and how well the report has been prepared, and how well this government has been served. A substantial net profit has been realized here which came directly to the general revenues for the benefit of all Canadians. I suggest to the hon. members opposite they do their homework and read one of the latest stories in *The Financial Post* which came out just this last week, suggesting that many of the things they have been saying in this House are totally unfounded and irresponsible.

Mr. Speyer: Name some of them.

Mrs. Erola: I rest my case.

Summer Recess

Hon. James A. McGrath (St. John's East): Mr. Speaker, we met here today under the shadow of the guillotine.

An hon. Member: Louder. Louder.

Mr. McGrath: Mr. Speaker, I would remind you and the House that I listened with great attention to the Minister of State for Mines (Mrs. Erola). I am operating under a time restraint because of closure. I hope I will be given the same courtesy.

Now, Mr. Speaker, we are operating under closure. Closure has been imposed for the first time in the history of this Parliament, indeed in the history of the British Parliament, on an adjournment motion. It is an unprecedented situation we are faced with today because normally closure is invoked to terminate debate. Here, sir, we have a situation where closure is being invoked to terminate Parliament.

Mr. Malone: Cromwell.

Mr. McGrath: Is there any wonder that this government's action today is unprecedented?

Now, sir, we have to ask ourselves why we are facing closure on the adjournment motion. Last week we were faced with an intolerable situation. Parliament was scheduled to adjourn on Friday, July 10. We had a national postal strike, negotiations were deadlocked, with both sides refusing to come to the bargaining table. As responsible parliamentarians we could not walk away from that situation, and we did not. The result of our staying beyond July 10 was that we now have both sides coming back to the bargaining table. A mediator has been named. I think that is important in terms of both the debate and the closure motion.

The hon. member for Ontario (Mr. Fennell), when he spoke yesterday in leading off the adjournment debate, made the position of our party very clear. We wanted the mediation process to work, we wanted the mediator to be given the opportunity to operate within a framework where there would be no pressure imposed on him by the parliamentary process. Consequently we made it very clear that it was not our intention to raise the Post Office dispute during the adjournment debate. So why, then, did the Postmaster General (Mr. Ouellet), of all people, stand in his place last night, serve the notice of motion of closure, and move that motion today?

An hon. Member: To settle the strike.

Mr. McGrath: Mr. Speaker, we have to look beyond the postal dispute. The real reason why we are faced with a closure motion is because the government could not tolerate the heat of the cartel scandal.

Some hon. Members: Hear, hear!

Mr. McGrath: It is no coincidence, Mr. Speaker, that the one who stood in his place to serve notice of the closure motion, and indeed moved that motion today, was the one getting most of the heat.

Some hon. Members: Hear, hear!

Summer Recess

Mr. McGrath: He was getting that heat, Sir, in his capacity as the Minister for Consumer and Corporate Affairs, a minister who has the statutory responsibility of protecting the consumers of this country. I will get back to that in a moment with reference to the remarks of the Minister of State for Mines who just took her seat.

However, there was another event which took place last week with respect to the cartel affair. That was an information laid with the court in the city of Toronto on July 7, two days, Sir, before we were due to leave this place for a long summer recess. I suspect the timing was designed to coincide with the adjournment of Parliament, so that Parliament would not be around to ask the embarrassing questions we have been asking for the last several days. However, Parliament is still here and there are very important questions we must ask.

These charges, Mr. Speaker, are serious in that they are charges of a conspiracy to commit an illegal act. That illegal act was to prevent competition in the production, manufacture, purchase, sale or supply in Canada of articles, to wit, uranium, etc., and thereby commit an indictable offence contrary to section 32(1)(c) of the Combines Investigation Act. The information also names a group of companies as unindicted co-conspirators, including two public servants of this country, namely, Gordon M. MacNabb and John C. Runnalls.

Now, Sir, let us go back very briefly, and I do not want to repeat some of the excellent material laid before the House by my colleague, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). However, what we are dealing with here—and this is why I wanted to go back and review it very briefly—is a concept the government seems to forget. That concept, under our rule of law, is that no person or group of persons is above the law.

Some hon. Members: Hear, hear!

Mr. McGrath: Not even the Government of Canada, not even the Crown, is above the law, Mr. Speaker. That is the principle we are dealing with here.

There has been a charge laid of conspiracy to commit an illegal act, namely, to breach the combines act. Well, sir, let us go back. On July 8, 1981, as reported at page 11326 of *Hansard*, the Prime Minister (Mr. Trudeau) was asked when he became aware of the activities of the uranium cartel affecting prices in Canada. The Prime Minister's reply was this:

> It was several years, I think three years after the international agreement had been made, that this international cartel began to have some possible effects within our country. Once again, I am repeating information I received at the time—

He then went on to say:

> Until then, there had been no demand for uranium in Canada. It was only around the mid seventies that this demand arose.

That is the Prime Minister on record.

We know from what the hon. member for Wellington-Dufferin-Simcoe said today that the information was in fact out. It is passing strange, Mr. Speaker, that the Prime Minister would not be aware of it because, according to the *Congressional Record* of the summer of 1977, and from the minutes of one of the meetings of the cartel which were released under the U.S. Freedom of Information Act, a meeting of the cartel was convened by the deputy minister of energy, mines and resources, one Jack Austin, in the departmental headquarters in the city of Ottawa. All the people at that meeting, with the exception of the one who convened the meeting, Mr. Austin, the then president of Uranium Canada, have been named in the charges as co-conspirators or unindicted co-conspirators.

Reference was made to the minutes of that meeting yesterday and today in the House, and I would quote Mr. Austin from those minutes:

> • (1720)
>
> He further stressed that the Cabinet is in favour of the arrangement and believes it to be in the best interest of Canada for the five-year period under discussion. He further stated that the Canadian government wanted to leave it to each producer to determine the legality of the arrangement.

It continues:

> At this point, Gulf inquired concerning the opinion that was to be obtained from the Minister of Justice as to the legality of the arrangement under the Canadian Combines Act. Mr. Austin replied by stating that an opinion had been obtained by the director of the combines investigation branch that the arrangement is legal as it is presently understood by the director but that it could later become illegal if orders have to be declined by Canadian producers as a result of the arrangement.

This was taking place at a time when the then minister of energy, mines and resources was stating on the public record in St. John's, Newfoundland, that no cartel existed. It must be said, notwithstanding the lack of knowledge of the Prime Minister or the fact that he did not know what was going on between 1972 and 1975, that it was not until the United States Congress began to take an interest in the matter in 1976 that the "gag" law was passed under the Atomic Energy Control Act by the Cabinet of Canada by order in council. It was entitled "The Uranium Information Security Regulation". It was not until that Congressional committee got around to an in-depth examination in 1977, by producing information and secret memoranda under its freedom of information act, that the then minister of consumer and corporate affairs decided that there would have to be an investigation under the Combines Investigation Act, because obviously there was a combine operating internationally and there was enough evidence to indicate that it was affecting prices in Canada.

No one will quarrel with the hon. intentions of the government in establishing this marketing cartel. I have no quarrel with what the hon. Minister of States for Mines (Mrs. Erola) had to say. The uranium industry had to be protected. It was the government's responsibility to protect Canada's uranium mining industry. I have no quarrel with that; the motives are honourable. But I find dishonourable what the government did when it discovered to its chagrin that the cartel operating legally in the international market was having an impact on prices in Canada and was in fact fixing prices in Canada. What did it do? What did the government do when it found out that they were breaching the laws of Canada? The government attempted to cover it up, that is what it did. That is what

this whole shamefulness is about today, an attempt to cover up the fact that this whole affair was impacting upon prices in Canada.

We know that back as far as July, 1974, Ontario Hydro was told uranium would have to be bought at world prices, and that subsequently Ontario Hydro in fact complained. Going back to March 8, 1974, we know that a Gulf Minerals memo was produced under the freedom of information act in the United States which read in part:

> The EMR staff does, however, recognize that Canadian utilities must be prepared to pay the same prices that we could achieve from export sales.

There is no question that in 1974 the cartel was operating to fix prices in Canada. No action was taken until 1977, notwithstanding the fact that the Prime Minister became aware of it in 1975. His reason given in the House for not taking action until 1977 was that no complaint had been laid. This sounds like a rather strange way in which to administer the law. What we are dealing with here is not the honourable attempt of the government in 1972 to protect Canada's threatened uranium industry, but the attempt of the government to cover up when it discovered that the cartel was illegally operating in the country.

Some hon. Members: Hear, hear!

Mr. McGrath: The Minister of State for Mines talked about her gratitude to the government for saving the uranium industry. I would have expected the hon. lady to express her concern in the House on behalf of the Ontario consumers of electricity, since she represents an Ontario constituency. What was the effect of the cartel? Uranium prices rose from $6 per pound to $40 per pound to Ontario Hydro. We know that as of today and as of 1975 over one third of Ontario's domestic electricity comes from nuclear power, and that it will go to two thirds by the end of the century.

I am sorry the Minister of State for Mines is not in her place, but let us take a look at what happened to domestic electricity prices in Ontario during the period of the cartel. I am referring to Ontario Hydro's rates to consumers. In 1972 the first 750 kilowatts were charged at 1.7 cents per kilowatt hour. In 1974 it rose to 3.55 cents per kilowatt hour; here we see the cartel coming into play. In 1976 the first 750 kilowatts were charged at 4.8 cents per kilowatt hour. In 1978 it was 6.7 cents per kilowatt hour. In 1981 it was 9.25 cents per kilowatt hour. That is a 500 per cent increase. It is not all due to the operation of the cartel or to the increase in the cost of energy, but a large part of it is. Ontario consumers have been bilked illegally of millions of dollars, and they have a right to some redress.

Where was the minister of consumer and corporate affairs in 1977 when he started the investigation with respect to the impact on Canadian consumers? He knew at that time because it was brought to his attention. What action was taken when it first came to the attention of the Prime Minister in 1975? He did nothing, except to bring in a "gag" law by order in council in 1976 to shut up public servants who were beginning to feel uneasy. That is what he did, and the cover up carries on to this day.

I hope the hon. member for Timmins-Chapleau (Mr. Chénier) does not interrupt me. He will have to explain to his users of electricity why Ontario users have to pay prices based on an illegal cartel operating in the country.

We know that charges have been laid selectively. We know that the companies involved in the cartel have been charged. One of those companies is a Crown corporation, Uranium Canada. During the time of the setting up of the cartel, its president was Jack Austin, then deputy minister of energy, mines and resources. We know that the present chief executive officer of Uranium Canada is one of the unindicted co-conspirators. He had the misfortune to be the assistant deputy minister of energy, mines and resources in 1972. Yet it boggles the mind that the government refuses to tell the House and the country why the co-ordinator of the cartel in Canada, why one of the instigators of the cartel in Canada, namely, the then deputy minister of energy, mines and resources, the former principal secretary to the Prime Minister, the now Senator Jack Austin, has not been named as one of the unindicted co-conspirators. That is the question.

I submit that the reason Mr. Austin has not been named in the information is because if you get to the deputy minister, then obviously you are getting to the minister; if you get to the minister, you are getting to the government; if you get to the government, you are getting to the Prime Minister.

Some hon. Members: Hear, hear!

• (1730)

Mr. McGrath: Because, Sir, the government is not above the law and this government stands guilty by its own inaction, by its own stonewalling, of being not only a conspirator to an illegal act but of being engaged in an attempt to cover up an illegal act.

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, as the hon. member for St. John's East (Mr. McGrath) has pointed out, time constraints do not permit anyone in the House to deal at any great length with the reasons why, on July 17, we are still sitting in the House of Commons. I share his point of view, too, that enough has been said about the Post Office and that Judge Allan Gold is one of Canada's top mediators. I can say that from personal experience, having sat in on more than one dispute with him, particularly on waterfront problems.

I, too, like the hon. member, would like to talk about the uranium cartel. One of the things which has always puzzled me, intrigued me, and at times upset me about this House, is the ease with which we can fabricate a picture, weave a story based on innuendo, half lies, and sometimes blatant disregard for the truth. Let one member opposite stand between now and 1 a.m. and accuse Jack Austin of wrongdoing—just one person.

Virtually everyone who has participated in this debate so far has emphasized that Jack Austin was a deputy minister, private secretary to the Prime Minister (Mr. Trudeau), and is now a Senator. Without saying more, these hon. gentlemen are trying to weave a picture. They seem to imply that his progress could not be based on talent, ability or knowledge, that his progression had to be as a result of some intrigue, collusion, or unsavoury act, and that this goes on all the time. The hon. member for Edmonton-Strathcona (Mr. Kilgour) is an expert at this, if you read his questioning of the ability and talent of a lawyer named Brown, just as he questioned the integrity of a Senator not too many months ago. But I do not want to get sidetracked by rabbit tracks if I can avoid it.

I would like to talk for just a moment about the cartel. I think I recall a few of the events of 1972. I was in the cabinet at the time, and the minister at that time laid it out very clearly that Elliot Lake and other cities to all intents and purposes were bankrupt, as hon. gentlemen know. No amount of stockpiling by this government or Denison Mines could have prevented the total bankruptcy of this industry. As I recall, there were not less than 22 productive uranium mines at the time and, because of the selfish attitude of the United States, that number dwindled to only three. What was the attitude of the United States? Contrary to its responsibility as a signatory to GATT it simply let the world know, including Canada, that henceforth no uranium would be imported into that country at any cost. The U.S.A. showed a total disregard for its moral and legal obligations as a trading partner.

The consequences were obvious. The value of the stockpile certainly dwindled as that customer disappeared. The level of unemployment in Elliot Lake was a national disgrace. The minister explained in elegant style that the impact on small businesses and family life was obvious. As mines shut down, miners were surplus. The government did what it was expected to do, move in and do something legal about a horrible social problem.

What did the government do? It formed a cartel with other countries which also had vested interests, against the actions of the United States. And people talk about the Combines Investigation Act! Let me tell hon. members that the establishment of such a cartel for international purposes is perfectly legal, and section 32(4) of the Combines Investigation Act contains that provision. First of all, let us stop right there. According to the opposition, the government was irresponsible in taking advantage of a provision which the signatories to GATT considered to be perfectly legal and which the laws of Canada consider to be perfectly legal, that is, the right to form a cartel or trading bloc with other partners of like interest in the international sphere. That action, of course, was legal and if that cartel were to start—

Mr. Kilgour: That is just another red herring.

Mr. Mackasey: I suggest the hon. member opposite has said enough in this debate. This hon. gentleman has forgotten more about this House of Commons than that hon. member will ever learn. He should be reminded by his colleagues that one of the courtesies extended in the House in a debate of this importance is that you keep your mouth quiet, your ears open, and you might learn something.

Some hon. Members: Hear, hear!

Mr. Mackasey: Canada, because of the value of the stockpile, faced with the terrible impact of the United States' actions on Elliot Lake and other like communities in western Canada, sat down with other uranium interests in order to protect itself against the selfish action of the United States which was, as I remind you, contrary to the spirit of GATT. Today hon. members have said that a meeting was held in the boardroom of the Department of Energy, Mines and Resources. Where did they want the meeting to take place? In the cellar, in the restaurant, or down the street? What was the meeting for? To do something which was perfectly legal under the laws of Canada. Why should the meeting not have been held at the Department of Energy, Mines and Resources since it was dealing with mining and uranium?

Some hon. Members: Hear, hear!

Mr. Mackasey: I suspect the furtiveness is not to be found in the Department of Energy, Mines and Resources, but rather in the warped minds of some members opposite. I repeat, let one member stand between now and 1 a.m. and accuse Jack Austin of corruption or wrongdoing, or suggest that he, too, should appear before the courts. The innuendo has been there in the words of the hon. member for Edmonton-Strathcona, but let an hon. member have the courage to stand in his place and make charges.

I have seen so many reputations destroyed forever in this House of Commons, during the sixties. I remember a youngster named Guy Lord, working in the office of the late Guy Favreau, who had his reputation destroyed. Perhaps that is one of the reasons why the Postmaster General (Mr. Ouellet) gets a little tired of these insinuations. I saw that youngster's reputation destroyed by innuendo to the point that, when proven innocent months later, he was still out of work and had to go to Paris to continue his practice in the legal profession.

As a personal friend of Jack Austin, I take umbrage at hearing members opposite remind us that he was once secretary to the Prime Minister, deputy minister of energy, mines and resources, and is now a Senator, and that he somehow must have done something terribly wrong by being one of the innovators of a legal action, the success of which, if measured by the alleviation of poverty and the return of prosperity to Elliot Lake, is already in the history books of Canada.

What about Ontario? The hon. member for St. John's East, for whom I have sincere affection, talked about the detrimental impact on the cost of electricity. I share his views. If there has been wrongdoing by these uranium companies they should be prosecuted. I think that is all the Minister of Justice (Mr. Chrétien) has suggested in implementing recommendations which people spent four years determining. But, as someone said earlier in this House, there are certain basic principles in this country. An hon. member opposite said that no one is

above the law. But equally no one in this country is guilty until proven guilty, and that includes individuals as well as companies.

● (1740)

I wonder if anyone here would like to say that the six companies are guilty. Have hon. members opposite already set up their kangaroo court? Are they doing, in the House of Commons, what the courts of the land are supposed to do? Have we lost our concept of British justice? Have we presumed, by innuendo and already come to the conclusion that everyone attached to this cartel, to this alleged illegality, this alleged price-fixing in the domestic market, is guilty? Are we at least going to have the decency to wait until the courts prove their guilt? It seems to me that this is a fundamental concept for parliamentarians. Have we lost that concept, safe in the security of the hon. member for Edmonton-Strathcona (Mr. Kilgour) who quite often enjoys the immunity which members of Parliament are granted?

This immunity is abused by the opposition's innuendo's from time to time, when it talks about Mr. Austin—senator and deputy minister—being guilty of doing something wrong because he set up a cartel which was perfectly legal under the laws of the country, provided its impact was in the international markets. Mr. Austin left that department in 1974.

Incidentally, in 1970, when this was set up, the province of Ontario had a vested interest in its success. It was not in the market to buy uranium, but it too was concerned about what was happening in Elliot Lake. It was concerned about the social impact of the American policy on the lives of thousands of decent Canadians from Ontario who lived in Elliot Lake. When it eventually needed uranium, and when, as the hon. member said, it paid an abnormally high price, by certain standards, the hon. gentleman thought enough to say it was not strictly as a result of the cartel, because we all know that around that time uranium prices rose dramatically throughout the whole world.

The fact is that this issue is before the courts. No amount of alleged finagling or any kind of influence prevented the appropriate agency from investigating the charge of the illegality of price-rigging by certain companies in this country. The agency, after four years of investigation, feels there is a prima facie case. The recommendations of that agency to the Minister of Justice are very simple. And I am not a lawyer. It recommended that charges against these six particular companies proceed before the courts. I think there are six companies.

The Minister of Justice has not deviated from that recommendation. Imagine what would occur if he had deviated. Imagine the feigned anger of the hon. member for Edmonton-Strathcona if we removed Mr. Brown and substituted another lawyer, called Mr. White! Imagine what he would say,"Oh, they do not want that lawyer with the great knowledge which he has acquired over four years to have any input. He knows too much as a result of going through papers for four years. Let us get rid of him and get some Liberal hack to replace him." So, how can the Minister of Justice win? The Minister of Justice is an intelligent politician, and a good and honest man.

Some hon. Members: Hear, hear!

Mr. Mackasey: If the minister had appointed—reappointed, if you like—a lawyer named Brown, whom I am defending, though I never met him, I think it is because he believes in the quality of law in this country. He believes in the qualifications of lawyers. He did not, as the hon. member did, phone some of his friends in Ontario. I will just quote, because I do not think it is worth spending too much time on it. The hon. member for Edmonton-Strathcona phoned his friends in Ontario and he claims they never heard of Mr. Brown. Some of them never heard of Mr. Kilgour.

Some hon. Members: Hear, hear!

An hon. Member: Time!

Mr. Mackasey: I have to say that I am at a disadvantage when I have to refute some of the arguments of my friend from St. John's East when he talks about the heat and the scandal. I say, what heat? It is certainly not from the question period. It is certainly not from the quality of debate. What heat is on the government? Really, the case is in court. What scandal?

I challenge anyone in the opposition to stand up and accuse Jack Austin of impropriety, or any other individual, or any member of the cabinet. The opposition can do it. It has parliamentary immunity. If hon. members want to prejudge the courts, go ahead. They are the eminent lawyers, and I am only a layman. They can tell the courts they do not have to go to the courts with this problem. They will prejudge it in the question period. They will prejudge it in the House of Commons. They will make speeches with enough innuendo and enough inference that it will make the right headlines, and after two or three days it will not be alleged impropriety—it will be improper conduct.

I may appear flippant about the subject, but in conclusion, I have always been concerned that when we review the rules of the House of Commons that we try to find a medium, some happy note. Those people whose names are dropped a little loosely in this House deserve some way of redress. In some way, we must learn not to abuse one of our parliamentary privileges.

We all know the history of how this happened, the immunity we have and the immunity we need if we are going to do our job. I am used to debate; however, it seems to me that in the 20 years I have been here too many people have been slurred, vilified, condemned, ridiculed, and tainted by innuendo, to leave me totally easy with the system. It makes us immune and above the law when we resort to that practice.

I come back to the young man I knew in the sixties, called Guy Lord, and a total stranger, because months later his father sent me a letter, thankful that someone got up in the House of Commons. "Perhaps the hon. gentleman, perhaps that lawyer, is not guilty. What happens?" I remember that

question. One can see it in the *Debates*. Events proved that he was not guilty, but the press did not bother making that point. It was no longer news. His career around here had been effectively destroyed. I just make the point: go after the government, but let us be a little more careful in dropping names and weaving that great trail of innuendo, the suggestion that there has to be something wrong because the deputy minister of energy, mines and resources held an office in the boardroom—not in the bathroom, but in the boardroom—of the department, in order to sit down with the leaders of the uranium industry to put together a cartel which, under the Combines Investigation Act in this country, is perfectly legal.

In conclusion, if these firms are guilty, then the courts will decide so. Again, I might say that it might be stretching the patience of some of the members opposite if I suggested they are innocent until proven otherwise.

Some hon. Members: Hear, hear!

Mr. Chris Speyer (Cambridge): Mr. Speaker, I listened with great care to the hon. member for Lincoln (Mr. Mackasey). I agreed with certain things that he said, and I wish to point them out. Number one, I do not like abuse of parliamentary immunity. I will be willing to go outside the doors of the House of Commons and repeat anything that I say in my speech.

Some hon. Members: Hear, hear!

Mr. Speyer: Second, no one can disagree with the basic and fundamental right of any accused that he is innocent until proven guilty, and that is beside the point in many of the matters that I want to draw to the attention of the House.

The uranium cartel, as it started out, had an understandable purpose. The last hon. member to speak was quite correct when he said that the uranium industry was, in fact, depressed throughout the late sixties and the early seventies, and that there was a need to take some action to protect the uranium industry. No one on this side of the House disputes that fact. What is at issue in this particular case is the manner and the method by which the cartel operated, and second, the actions of the government in implementing the functions of the cartel. I wish to address those two points right at the moment.

The first thing I wish to draw to the attention of the House is the uranium marketing investigation which was called in 1977. At that time the Minister of Consumer and Corporate Affairs (Mr. Ouellet) said that it would be in the public interest that the air be cleared and that the status of uranium arrangements under the Combines Investigation Act be thoroughly investigated. Not only has the air not been cleared but it has been muddied and it is murky. The investigation certainly has not been complete.

● (1750)

I think that in some ways too much of the time of the House has been spent considering some of the legalities and some of the charges and not enough time has been spent discussing morality.

No member of this House, including members on this side, has full information about what happened with respect to this cartel. For four years we have been asking, persistently and consistently, for information so that people's reputations would not be smeared, so that there need not be innuendo and that we would not know only a part of the truth. We have been asking for full disclosure so that the facts would be self-evident and that the law could take its normal course, and so that those who have to assume responsibility would assume responsibility.

We know certain facts which I would like to point out to hon. members opposite. We know how the cartel operated. We know that it operated through a secretariat in Paris and that this was agreed upon not only by companies whose ambition was to derive a profit but by a Crown corporation whose president was a deputy minister of the Department of Energy, Mines and Resources.

In those circumstances, the cartel would meet in Paris. There would be lead bidders, there would be secondary bidders, and there would be tertiary bidders. The sham was carried out in secret, and countries like Japan had to compete with companies whose bids were rigged. Mr. Speaker, it is no different from the dredging scandal which happened in Hamilton, close to the riding of the hon. member—

Mr. Mackasey: Oh, oh!

Mr. Speyer: I question the morality of operating a cartel where there are fixed bids, where there is bid rigging in circumstances such as I have described and which is outlined all through the Maas committee testimony and report. I find this absolutely shameful, Mr. Speaker, and I Hope that hon. members opposite do as well.

I think we can all imagine that, if profit is the motive, companies might get together and say, "We have to fix the price; we need a floor price". I hope it shocks hon. members opposite to think that senior officials of the Department of Energy, Mines and Resources were party to the rules that were established in Paris. That is absolutely clear, Mr. Speaker, and I will say it anywhere in Canada. We only have part of the documentation because we cannot get it in Canada. We have to get it in the United States where it is part of the confidential Westinghouse uranium litigation. There is a memorandum dated March 8, 1974. It should be of concern to hon. members opposite, as it is to me, in which the manager of Gulf said that "the EM and R staff, does, however, recognize that Canadian utilities must be prepared to pay the same price we could achieve for export sales." In other words, one can understand having an international price and having a domestic price. But can one understand when the officials of EM and R are saying, in these circumstances, that Canadian utilities "must be prepared to pay the same price we could achieve", especially when those prices are derived as a result of bid rigging?

There are many other aspects of this case, Mr. Speaker, but in 20 minutes no one could ever outline such a complex matter.

In 1977 the then minister of energy, mines and resources said in this House that there was no cartel, that a cartel did

not exist. Yet, as I pointed out in question period yesterday, Donald Macdonald, in an interview on CBC last Monday, replied in answer to a question as follows:

> ... all the Canadian producers or in the case of Gulf Minerals and all the essential Canadian producers at that time were told that there was government policy to maintain a floor price on uranium for export and were required to participate.

What was the situation? There were a number of companies which were apprehensive about joining the cartel and they were not apprehensive about making the profits that they saw they could make. What they were apprehensive about was not only the litigation that they could foresee when they had lawyers like Bud Estey, but they were worried about what the effect would be in the United States. It should be remembered that the agreement apparently did not apply to Canada, in the United States. Counsel for all these uranium producers had the foresight to understand that when prices are fixed internationally, they will become the world price domestically.

Companies were compelled to join this cartel because otherwise they would not get uranium export licences. That is why they were compelled. Certainly Steven Roman made that clear after charges were laid, and the former minister agreed to it when he said they were "required to participate". Yet the Attorney General of Canada (Mr. Chrétien) says, "What you have done is you have violated the laws of Canada on the basis of reasonable information and belief," and launches a prosecution.

I do not know whether that shocks hon. members opposite as it shocks me. I want to know how a Canadian Crown corporation can be a named, indicted conspirator, how a Canadian corporation can be charged. We know that any corporation is just a veil. There are people behind it who make the decisions.

I have the indictment before me and I must ask many questions to which the government will not give the answers for the people of Canada. For example, the conspiracy occurred in Ottawa. That is in the indictment; that is what the Attorney General has alleged. The unlawful agreement—I am not talking about the agreement that happened in the boardroom but about the unlawful agreement that forms the substance of the conspiracy—that happened in Ottawa, up until 1978. We know that the regulations only applied until 1975.

What series of circumstances occurred between 1975 and 1978? The Minister of Justice has not been forthright about this, and there has been absolutely no statement whatsoever with respect to it. I cannot believe the stonewalling on the part of the minister. Like a broken record he gives the same answers day after day. He has quite properly made the assertion that he wants independent legal advice. No one could ever fault him for that. He has said that on the basis of that legal advice, charges were laid and that he acceded to those. No one could fault him for that.

One thing that the minister owes the House of Commons, however, is an answer to why charges were laid against some people and why other charges were not laid on the basis of the investigation. We could clear this up very easily, Mr. Speaker. Let me tell you how it could be done.

If the gag regulations were rescinded, then we could look at the document and we would know exactly what happened. That is not the case, however.

On May 26 the Prime Minister (Mr. Trudeau) said in this House that the underpinnings for the gag regulations remain the same, that is, to protect Canadian companies against American litigation. I should like to ask the Minister of Justice what American litigation is pending now. That answer was given before charges were laid. We know that Denison Mines has settled its lawsuit and Rio Algom has settled its lawsuit, so what litigation is still pending? What is the purpose of this muzzling of the Parliament of Canada so that it does not know what is going on? Can any member of the House on the other side give any factual justification why, in 1981, these regulations should stand?

I pose a further question, Mr. Speaker. The hon. member for Lincoln (Mr. Mackasey) has said that every accused is entitled to a fair trial. Nobody can dispute that, Mr. Speaker, but part of a fair trial is provided for in the Criminal Code where it says that every accused is entitled to a full answer in defence.

As a full answer in defence, we know that Gulf Oil and many of the other defendants have in the vaults of McCarthy & McCarthy 40,000 documents which they are unable to use at the moment. Is it fair to their defence or to the defence of any other accused to have these regulations which will prevent the defendants from getting a fair trial. What possible purpose do they serve? The minister does not want to tell us exactly what happened. Innuendos have been flying around; there is no doubt about that. That is natural in view of this government's refusal to tell the people of Canada exactly what happened in this totally sordid mess.

• (1800)

Now that the horse is out of the barn, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) has put proposals for amending the Combines Investigation Act before interested people in Canada. One of the factors that he considers important is found on page 19 of those amending proposals respecting the Combines Investigation Act. Many hon. members on the other side might be surprised to see that the minister is recommending a ban on participation in international cartels to the people of Canada. The reason given is this:

> This proposed provision is designed to cover situations where domestic competitors make agreements or arrangements with foreign competitors which restrict exports from Canada or imports into Canada or otherwise adversely affect competition in Canada. As part of the conspiracy law, it would be a criminal law provision. The increasing concentration in world trade has given rise to concerns over the dangers of the cartellization of world trade and a number of countries have taken action recently against international cartels which not only affect prices in those countries but also their trade performance.

The hon. member for St. John's East (Mr. McGrath) and I have been asking questions of the Minister of Justice in the last few days concerning this cartel. Mr. David Henry, now one of the most respected jurists in this country, occupied Mr. Bertrand's former position. Obviously there was a fear during

the formative stages of the cartel about its legality and the best lawyers in Canada were consulted by the uranium cartel. The government had its lawyers and it was not unnatural for the Government of Canada to ask Mr. Henry who was head of the combines investigation branch what his opinion was. Why can the Government of Canada not now produce the opinion that was given so that we can all see it and can say once and for all whether or not the government was aware of the domestic consequences that would be visited upon Canadians, particularly upon the people of Ontario, as a result of the establishment of this cartel?

I defy anyone on the other side to stand in his place in the House of Commons and give a reasoned answer as to why the opinions of the Minister of Justice (Mr. Chrétien) at the time and Mr. Justice Henry's opinion cannot be tabled so the people of Canada can understand. It is the refusal to make these opinions known and a refusal to rescind the gag regulations which will keep people, such as myself and every member on this side, asking question after question until we get the answers.

One problem has been pointed out by the hon. member for Lincoln (Mr. Mackasey), namely the problem of innuendo and insinuations that will occur in circumstances when the government is not forthright with respect to this matter.

[*Translation*]

Mrs. Eva Côté (Rimouski-Témiscouata): First of all, Mr. Speaker, allow me to say that I am glad to take part in this debate. However, may I say as well that the reasons which explain our presence here this evening fill me with sorrow. I was elected on February 18, 1980, to participate along with all members in the administration of the affairs of my country. At that time I admit I thought I would be sitting here to do my share in building something or continuing to build something. Unfortunately certain events have shown me that people can also destroy just as illogically and, to my mind, that is distressing.

If we consider the work of a parliamentarian we realize that it can be extremely challenging and enriching, especially if we are concerned about doing it positively and objectively. Mr Speaker, for one year and a few months now I have been participating in various experiments, if I may put it that way. I had an opportunity to deliver a speech on the constitution. I have listened to a lot of speeches about the bills which have been introduced, but rarely did I hear objective and constructive remarks from members opposite. That puzzled me, and I wanted to know just what was the Canadian reality and especially what sensible Canadians thought of our performance in the House. So I gathered some very interesting statistics. In 114 years, from 1867 to 1981, we have had three different governments, that is three political parties which have administered the affairs of Canada: a National Union Party during four years, the Progressive Conservative Party during 35 years and the Liberal Party during 75 years. Does that mean that the party of the official opposition does not know anything about the Canadian reality? Is it really unable to understand what Canadians want, wish for and would like to see being accomplished in their country? Are we here to build or to destroy? Are we here to go forward or to go backward? Above all, Mr. Speaker, I was altogether astonished when I heard my colleague opposite state that the most absurd aspect is that we are debating what we called closure and that this motion has been moved by the Minister of Consumer and Corporate Affairs (Mr. Ouellet), the head of a department which was established to protect the interests of Canadians. If I may say so, that does not surprise me, particularly when we bear in mind the fact that the House of Commons is costing Canadians $300,000 a day and that during five days spoke of nothing but matters about which the government properly discharged its responsibilities. In other words, we spent $1.5 million of the Canadian taxpayers' money wasting our time here.

• (1810)

As concerns the postal strike, I believe that the Minister of Labour (Mr. Regan) said that there is a collective agreement, that there are standards and regulations, that we are living in a democracy, that Parliament has given the right to strike to these workers and that they may therefore use it. There are also mechanisms which provide for mediation, conciliation, and everything necessary to settle a strike. The government has seen to it. As for the uranium cartel, what has been done this week, except to try to tarnish the reputation of certain individuals and to prejudice decisions which could be made by our courts? I have the impression that in addition to wasting the time of the House, the opposition has dealt with the issues in an ignorant manner, and I do not know if this term is parliamentary or not, but in any case, as an hon. member opposite pàointed out this week, we have been listening to people who speak with forked tongues.

Mr. Speaker, I thought I had been elected to represent my constituents and to participate in the administration of Canadian affairs, as I have already noted. We have work to do in the House with regard to legislation. We must also sit on committees, because this is important. We must take part in the proceedings of the House and we must also work in our constituencies. Moreover, unless we were brought in by the stork, we also have a family, and for my part, I believe this is important even though we have not talked about it very much.

As I was saying, in our constituencies—it should also be said that the House of Commons sits five days a week, including three evenings, and that we must be here. This is perhaps not quite as important when you are in either party of the opposition, but when you are a member of the government and you want to live up to your responsibilities, you have to be here. If you want to represent your constituents, you must also be in your constituency to know what is going on. I would not want to speak about the problems of Elliot Lake because I am not from there, but it would be a terrible thing or a lack of

awareness on my part if I could not speak about the problems of Rimouski and Témiscouata, a rural area which needs assistance and has an absolutely shocking unemployment rate, while we are wasting a million and a half dollars in this place. I must admit that I would have put this money to better use in my own area, and if I do not know what is going on there, how can I speak about it?

We must therefore go back to our ridings. We must therefore sacrifice our Saturdays or Sundays. How much time does this leave us for our families? If a member of Parliament has to become a slave to his job, it is time to change something in our rules, Mr. Speaker, because if members of Parliament have certain rights—and I think that they are abused at times—do the citizens who have elected us not have any? I am speaking about the right to meet their member of Parliament, the right to talk about what goes on in this place, the right to ask questions about the bills we pass that will influence their lives, about how we are shaping the society in which they will have to live, about how we are preparing the future for their children and ours. We must therefore sacrifice yet another day. What remains for our own family? What shall we do finally about our families? Are we going to forget them? Does the Canadian society really ask this of its members of Parliament? We are 282 in this place to represent a population of something over 23 million—

An hon. Member: 24 million!

Mrs. Côté: —24 million. We are, therefore, in a privileged position. It is a great thing for someone to be elected to a parliament anywhere in the world. The question that we must ask ourselves to day is this: Are we really working positively? When I see certain things and certain actions and when I hear certain speeches, I ask myself some serious questions about democracy in Canada, and I have to wonder who has only rights and who has only responsibilities or duties.

In our system, the opposition has the right to speak. I agree with that. But when that right is changed into tyranny, when the compulsion to speak at any cost becomes tyrannical, I submit that we are bordering on anarchy. When we are detaining citizens who did a good job, and by that I mean members of Parliament who did their jobs, the people working for the House of Commons who are here with us, the people at the Printing Bureau, the translators, the cleaning staff, all those people are unfairly compelled to remain here today in order to listen to what? I would rather not answer. I would rather not know the answer either. Something is disheartening, Mr. Speaker—the more they speak, the more they repeat themselves. I do not want to pass judgment on my predecessors, but I tell myself that at some point we should attack the problem, we should especially agree on how we are going to represent our constituents, how we are going to manage the affairs of Canada.

While we are here practically talking about nothing, there is in preparation something absolutely unique in Canada, if not on the American continent. I refer to the economic summit. I will not believe that no Canadian is interested in knowing what is going to happen there. But in the meantime, we are forcing the public to disperse their interest to follow what is or is not being said here. To some extent it is our own fault if they are not aware of what this country is about to experience, what the Prime Minister (Mr. Trudeau) succeeded in organizing, the meeting of the leaders from the seven most industrialized nations in the world, to discuss the problems of the haves and have-nots, while we are here wasting one and one half million dollars. Fortunately, there is a way out in the Standing Orders, otherwise we would still be sitting here at Christmas of next year. All that time, we have shirked our responsibility to tell our fellow citizens or allow them to hear what the country is experiencing.

Mr. Speaker, when I first came here, this is some sort of story, I met a reporter who asked me: Where would you rather be, here in the House of Commons making speeches, taking part in the legislative process and so on, or in your constituency meeting people? I must admit I was somewhat taken aback. However, I answered, "If you ask me what I would rather do, certainly I would rather be in Rimouski and in Témiscouata meeting the people, seeing what they are doing, what they need, how we could better help them." The gentleman from the press smiled, and I wondered what was so funny. He told me: "You amaze me. Probably you are new here, but many MPs would rather be here in Ottawa."

In the House of Commons everything is generally quiet, nobody is disturbed. If nobody comes to ask you to answer the phone, you will not go. Therefore, you will not know what is going on in your area. Is it possible that the House of Commons has become, for some, a kind of haven away from their constituents? If such is the case, it is high time we adjourned. Because there are some that need to go back in the field to see how the world is breathing. It is high time. Maybe this is why we are still here on July 17, to do what? Are we bringing anything positive to Canadians? We did not change the inflation rate 0.01 per cent. If anything, we contributed to it by keeping everybody here. But it is appalling to have a system which operates that way. Painstakingly, since the beginning of the session, the government managed to get some important legislation passed for the good of the Canadian people. No thanks to the opposition, it didn't happen with its help either. Every time a major piece of legislation was introduced, closure had to be imposed to get it passed.

Mr. Speaker, it would seem, and I have made inquiries in that respect, that it is the first time closure has to be imposed on a motion of adjournment. Allow me to say that this is no sign of progress, not at all. To my mind, it is a step backwards. It is about time that we should straighten this matter out because we are certainly setting a bad example for the young

Canadians who might come and visit us in this House, that is for sure.

Mr. Speaker, I would have liked my comments to be more objective, more positive because, although I think I wasn't biased my remarks might not have been as dispassionate as I would have hoped. But when you represent, as I do, a riding with 43 municipalities, 75,000 people at least, 53,500 voters more or less, and an unemployment rate which fluctuates between 17 and 30 per cent you know that those people as other Canadians suffer from the same rate of inflation. They would have a lot of things to tell us, lots of advice to give us. At the present time a poll is being taken concerning some amendments to the Unemployment Insurance Act. We are not there. We are here doing God knows what. In the meantime our constituents have to look after their problems by themselves. One of my voters wrote to me to give me a piece of his mind because he found that I was hard to get in touch with. I understand that. I go on television on Saturday morning in Rimouski on the French channel—

An hon. Member: When they are not on strike.

Mrs. Côté: You understand his problem and I understand it too. I have sympathy for his concerns. He took the trouble of writing to me to explain how he was living through that, the strikes, the inflation, the energy problem, a problem which became more serious ever since the Conservative Party was in power. Fortunately, it was in power only nine months otherwise one wonders what might have happened afterwards. We are trying to solve the energy problem to the satisfaction of all Canadians. That particular constituent gave me his suggestions, his ideas. You cannot expect every citizen, every voter to take the time to write to you to tell you their experience and what you should do to be of greater service to them. Today we are dealing with the issue of tax agreements between the government of Canada and the provinces. We are not taking part in it, we cannot tell our people what is happening. We feel sort of powerless, but it is a self-imposed situation.

Mr. Speaker, I think that the motion moved by the Minister of Consumer and Corporate Affairs today has become a pressing necessity. I think it is unfair to waste our time and our money in such a manner, and to deprive people who have honestly worked for months at our service from well-deserved holidays. The present situation, that is closure being applied to an adjournment motion is an aberration because nobody here who has worked honestly, who has been assiduous, positive, openminded and constructive should be embarrassed to agree to an adjournment. Above all, we should not be afraid to meet our constituents. Mr. Speaker, I think that my time is almost up. I ask the understanding of my colleagues. This situation is the first of its kind, and I hope it will not happen again.

• (1820)

[*English*]

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I rise on a point of order. It has come to my attention that the reading room and the library have closed down. This is very unusual. In my 16 years in the House of Commons, whenever the House has sat the library and the reading room have been kept open.

I wonder if the Chair would look into this matter and report back to hon. members.

The Acting Speaker (Mr. Blaker): Yes, I will, and as soon as I have information on the matter I will report to the House.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, in rising to speak about this motion I must begin by saying that, despite my admiration for the hon. member for Rimouski (Mrs. Côté), I could not disagree with her more fundamentally. She suggests that Parliament and the provision of debate in this institution are a waste of time. I find that very difficult to accept. I know the hon. member speaks with a great amount of sincerity and feeling, but I must say that I am surprised that she would tend to treat the institution of Parliament so loosely.

If we believe in parliamentary democracy and the right to freedom of speech, then we must ensure that the rights and privileges of Parliament are always secure. I think those rights and privileges are very sacred. After all, Parliament is the foundation of and very fundamental to our basic freedoms, and to suggest that we might be better off without it frightens me very much. I have been here for 13 years and I have seen an erosion of the rights and privileges of individual members of Parliament. We as individual members of Parliament obtain our rights, privileges and powers, whatever they may be, from this institution, and I would hate to see them eroded further.

By virtue of a closure motion today we have a further contempt for and erosion of the spirit and privileges of this institution. I believe tyranny begins when parliamentary debate ends.

Some hon. Members: Hear, hear!

Mr. Mazankowski: We are being forced by a closure motion to adjourn at this time when there are very important issues facing this country. I too would like to get back to my constituency to deal on a first-hand basis with the people who sent me here, but at the same time I must say that I am somewhat embarrassed by the report card I must take back to them because the issues which were with us when this session began are still with us today, and in fact have been complicated and aggravated in many respects. We are sitting here in an extended sitting, which is quite unusual, but we are sitting here because there is, was and continues to be a postal crisis which is causing untold hardships and costing millions of Canadians across the country many millions of dollars.

The House has stood by. I believe it has accepted its responsibility, and it has produced some results. We now have a mediator, and we are all hopeful that the work of that

mediator will be successful. I know we all wish him well in his very challenging task because we all recognize—and I am sure I speak for all members of the House—that postal service is very fundamental and basic to our country. It positively has to be considered an essential service, because when postal service stops our country suffers very, very much.

We are faced with a motion of closure to adjourn the House. Closure has been used on five different occasions in this House, but this is the first time it has ever been used to adjourn the House. This is unprecedented in Canadian history and, I suspect, in the history of the Commonwealth.

At the very outset I must say that I abhor this tactic. I find it offensive. I find it repugnant because it strikes at the basic fabric of our parliamentary democracy. Instead of having a parliamentary democracy, we have what resembles a parliamentary dictatorship. It concerns me very much that government members tend to gloss over this so lightly and that hon. members opposite are questioning the institution of Parliament and the institution of our parliamentary democracy as we know it.

I started out by saying that there are very important issues facing this country in addition to the Post Office crisis. There are serious economic issues including high interest rates, inflationary pressure and pressure on the Canadian dollar. There is economic depression in various parts of the country. To respond to my good friend, the hon. member for Rimouski, I must tell her that these are not insignificant matters. These are very important matters which affect every individual Canadian from coast to coast.

Much of the problem with which we are faced today has been contributed to by the failure of this government to negotiate an oil pricing agreement with the province of Alberta. The government has been in office for more than 16 months and we are really no closer to an oil agreement today than we were when the government assumed office. I find that very irresponsible and I will have more to say about it a little later on in my remarks.

● (1830)

The speakers on this side of the House have certainly raised many questions today about the uranium cartel, but we have not received satisfactory answers. The government is looking bad on this issue. It has every appearance of a major cover up. The government refuses to come clean and expose the documentation which it says justifies the actions it is taking. The exchanges which have taken place and the speeches made in the House only arouse more suspicion. Canadians are suspicious, and I think the whole matter smells.

Another important area which will affect many Canadians is the government's proposal to reduce rail passenger service in the country by approximately 20 per cent. This has very grave implications for many Canadians in many communities. It bothers me that the government seems hell-bent on making this announcement at a time when the House will not be in session.

I can only suggest that this action is cowardly and deceptive. The government will embark upon a very unusual practice. I am not suggesting that it has not been used before, but it will perform massive surgery on the rail passenger service without giving Canadians an opportunity to be heard and without giving them any recourse. The government will circumvent the regulatory process as well as the traditional and historic methods of doing things.

When I speak of "traditional and historic methods", I bring to the attention of the House that we are all aware VIA Rail was established under a dollar vote in the estimates and that it has not been properly constituted in the parliamentary sense. It forms the basis of report No. 12 of the Standing Joint Committee of the House of Commons and the Senate on Regulations and Other Statutory Instruments which is contained in *Votes and Proceedings*. It is the continuation of an early report which read in part:

> The making of extensive subordinate laws on important matters such as VIA Rail Canada Inc., under votes in Appropriation Acts also produces laws and policies never debated by Parliament. Your committee's predecessor called for an end to this practice inimical to parliamentary sovereignty. It should stop and all existing subordinate laws made under Votes should be the subject of review as to merits by the appropriate Parliamentary Committees.

To follow up on that, the joint chairmen of the standing committee have been in constant correspondence with the Minster of Transport (Mr. Pepin) urging him to ratify in a parliamentary sense that which was done improperly through the estimates by bringing forth the VIA Rail Canada act so that the objectives, the mandate, the merits, the regulatory process, and all the pros and cons of VIA Rail could be debated properly before the House. We have a situation where a corporation charged with the task of providing rail passenger service will now have the rug pulled out from under it by a unilateral act, by a government edict which will reduce rail passenger service.

The other day the President of the Privy Council (Mr. Pinard) talked about parliamentary reform. If he wanted to give credence to his good intentions, he would begin by obeying the directions of the joint committee and by urging the Minister of Transport to bring forth a bill to ratify VIA Rail Canada in a proper fashion.

Before embarking upon the massive surgery of the rail passenger service which is contemplated, it seems to me that the minister should consider seriously a deferral of it until the VIA Rail Canada act is brought before the House so that we can debate its mandate and objectives. I call upon the President of the Privy Council to use his good offices to recommend to the Minister of Transport that this be done.

We do not know the rationale or the basis upon which the rationalization will take place. As for the proposed discontinuance of the Supercontinental Winnipeg-Vancouver line which goes through Edmonton, we really do not know upon what basis the decision will be made. I think an article in *The Edmonton Sun* put it in proper perspective:

> The generally accepted rule governing the continuation of any public passenger service is that the communities it serves must either use it or lose it.

On this basis there seems to be no case for the federal government to terminate VIA Rail Canada's transcontinental passenger train service through Edmonton. No case for the rail transport committee of the Canadian Transport Commission to approve an application for such termination . . .

During June, according to VIA, transcontinental trains leaving Calgary carried a total of 12,621 passengers. Those leaving Edmonton carried 539 more.

July figures for Edmonton are expected to be much higher. That's largely because VIA has been adding equipment to Edmonton trains since early June, and is still adding, in order to handle increased sales.

We would like the facts exposed. We should not be subjected to an edict by cabinet circumventing the regulatory process, with no recourse or opportunity for the Canadian people who are affected to express their dissatisfaction or objections to the move. I call upon the Minister of Transport and all members of the government to consider seriously the implications of this step before engaging in such wholesale abandonment as is proposed.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I think the mayor of Edmonton summed it quite well in a telegram which he sent to the Minister of Transport. In part it reads:

At a time when Canada should be building communication links, your government appears to be attempting to destroy them in one of the most important areas in Canada. Surely at such a critical time in Canada's history we should be building a spirit of co-operation, and not separating parts of Canada. Any unilateral decision by your government can only be detrimental to a unified Canada.

Another telegram from the Edmonton Chamber of Commerce reads in part as follows:

This proposal is competely and totally unacceptable to the residents of this area. Such a move would greatly increase the feeling of alienation in western Canada.

The telegram from the Edson and District Chamber of Commerce reads in part as follows:

The Edson and District Chamber of Commerce strongly recommends that the federal government prior to any firm decision being reached allow the communities and the persons involved the right and opportunity to voice their objections to this proposed partial or total withdrawal of this essential rail service.

I am sure concerns and objections are being expressed in every part of Canada. If the Minister of Transport does not want the CTC to deal with the question, then he should refer his proposal to the parliamentary committee before he makes a firm decision. He should let the parliamentary committee consider the package and hear witnesses who want to express their views. Then he could make a decision. It should not be done unilaterally. It should not be done by a decree which can only hurt the people in the community and add to the divisiveness in the country.

I am sure the minister will be aware of the fact that VIA Rail is deeply starved for capital to improve its equipment. I think it has done an excellent job in merchandising, but it has to back it up with the product. VIA Rail is at the point right now where it can almost be charged with misleading advertising. It has a good marketing approach, but it needs the product to back it up. They need at least $200 million worth of capital each year over the next five years to refurbish and build the kind of fleet and infrastructure which is required to provide a realistic and effective rail passenger service.

● (1840)

We must have clarification whether rail passenger services are to have priority over freight cars. That is another issue which has still not been resolved. VIA really have no power and no authority. It plays second fiddle to the railway companies; it has no lever against the railways. It has to subscribe to an open-ended contract. It is a contract but at the end of the year it is renegotiable and additional charges which the railways incur are charged back to VIA Rail. It is really no way to run a railroad and the costing order has to be revised.

I urge the Minister of Transport and the Minister of Labour (Mr. Regan), who is sitting in the House at the present time and who is occasionally nodding in the affirmative, to clean that mess up before starting to perform wholesale surgery on the route structure, thereby denying the rights of many Canadians to passenger service in this country. I say this in the most objective and non-partisan fashion of which I am capable. I know it is an expensive service but we, as Canadians, have to make up our minds whether we want a rail passenger service in this country. Every indication I have seen, all the testimony I have read before the CTC, shows that Canadians by and large support, and will continue to support, the provision of an effective rail passenger service in this country. I urge the government to pay attention to this.

Another issue which has not been adequately dealt with in this session is the energy situation. We really have an energy crisis which is fueled by the suspension of the $12 billion Cold Lake heavy oil plant as well as by the prospect of suspension of the Alsands project. The suspension of the Cold Lake plant can only be described as one of the most destructive decisions which has ever been made in the energy sector in Canada. I have to say this quite categorically and quite bluntly, Mr. Speaker. The blame for this has to be laid at the foot of the Liberal government in Ottawa.

Some hon. Members: Hear, hear!

Mr. Mazankowski: It is well outlined in an editorial which appeared in the *Edmonton Journal* for Friday, July 10, 1981. Incidentally, Mr. Patrick O'Callaghan, the publisher, was at one time a pretty good Liberal. I think he has seen the destructive policies which have been levelled against western Canada and he certainly is very supportive of the current administration at the present time. That is not to say that he is not still a Liberal, but he has expressed a point of view which I must say to you, Mr. Speaker, is shared by most Canadians in western Canada. In an article entitled "Ottawa's failure", he writes:

Imperial Oil has shelved its Cold Lake heavy oil plant. And Alsands will probably suspend its plant north of Fort McMurray within two weeks. The responsibility for these tragic delays rests with the Liberals in Ottawa.

Canada desperately needs this oil. Conventional oil production will fall from 1.3 million barrels a day now to 710,000 barrels in 1985 and only 400,000 barrels in 1990. Canada has no hope of energy security without vast new oil

production. Even with Hibernia, Alberta's oil sands are essential to Canada's economic health and national security.

There are two issues: permits and prices, the first political, the second economic. The Liberals have failed completely on both counts to encourage oil sands development.

Alberta has the power to grant permits but will not do so unless there is a comprehensive energy agreement with Ottawa. Marc Lalonde failed the Canadian people miserably last year when he made no perceptible effort to reach such an agreement with Alberta.

Some hon. Members: Hear, hear!

Mr. Mazankowski: And so you have headlines like this: "Esso decision could leave businesses out in the cold"; "Cold Lake exodus"; "Ontario loses too". It is not only the communities of northern Alberta which will suffer, the whole economy of Canada suffers. Our ability to secure energy self-sufficiency is a goal that is lost. We are losing expertise, research, and Canada desperately needs the oil. The fact that this delay will postpone the development of this plant for about two years will, in itself, cost the Canadian people some $5.6 billion. So, Mr. Speaker, we cannot continue on this way.

If we look at the economy, interest rates, unemployment, inflation, energy—there really is not anything good one can say about this particular session of Parliament. This session did not produce one iota of good in fostering national unity. The country is literally being torn apart. Not one piece of legislation to improve the economy has come before us, Mr. Speaker. Not one piece of positive legislation in the area of energy has been enacted. We are relying more and more on imports every day and it looks as though that situation will worsen. We are no closer to agreement. There is the suspension of Cold Lake and the possible suspension of Alsands. Gasoline and oil prices have risen and the tensions continue. Mr. Speaker, there has not been one piece of legislation introduced in this session which would help the average Canadian. This government is not only a failure, it has been an absolute flop.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, like many members in the House at the moment, and probably like many members who will appear here at one o'clock tomorrow morning, I am somewhat surprised that we are here tonight. But considering that, and considering some of the difficulties and problems still facing this nation, I may not have appreciated having to be here last Monday on the pretext that it was in some way going to help the postal workers reach an agreement with the Government of Canada in their dispute. I do not think there are any delusions in this party that the sitting of Parliament will not really contribute anything to the collective bargaining or negotiations between employers and employees. However, it has given us the opportunity this week to ask some questions about some very important issues which still face this nation.

The question of rail transport in Canada, VIA Rail, and the possibility of large-scale abandonments of those rail lines which many Canadians still support in terms of the need for rail transportation, is a very important issue in mainland Canada, and also on Vancouver Island. The closure motion which was imposed by the government this afternoon, which I think was quite unnecessary, gives me the opportunity to explain to the government some of the concerns which people on Vancouver Island have about VIA Rail and some of the activities which they have been involved in over the years to ensure that the rail service continues.

The continuation of this service is supported by people on Vancouver Island who recognize that a rail system can form a very important link between the communities on Vancouver Island from Victoria in the south to Courtenay in the north and Port Alberni inland. That rail service joins 24 communities, some of them very small, but others fairly large and growing. It takes some of the pressure off the road system on Vancouver Island, and could take off far more pressure if it were given a chance. It appears that the government of the day will do what the CPR of yesterday was not able to do and was not permitted to do by the Canadian Transport Commission, that is to say, abandon the rail line on Vancouver Island. For many years the CPR attempted to curtail its passenger service and maintain a freight service on the island.

• (1850)

In 1978, in a hearing held in Victoria on an application by the CPR to curtail that line, many community groups, municipal groups and individuals such as railway union workers made presentations to the CTC chairman at that time, Edgar Benson. Half way through the hearings, everyone was elated because they had heard that rail passenger service was going to be maintained on Vancouver Island. The E & N, indeed, was going to get a reprieve and four more years of passenger service would be provided.

The true significance of that event was not immediately known or recognized because people thought that the CTC was directing the CPR to continue its obligation to provide passenger service to Canadians and to people on Vancouver Island; but what had happened was that the government decided that VIA Rail would take that losing proposition away from the Canadian Pacific Railway and would subsidize the losses of CPR by renting equipment from the CPR and taking the losses of rail transportation passenger service on Vancouver Island. Therefore, CPR, after having the land grants, the mineral grants, the forest timber leases and all the real estate that it had developed, was able to get out of a losing proposition, and the Canadian taxpayer was allowed, quite magnanimously, by the Canadian government to take on that losing proposition.

Now we have a situation, three years later, where the government itself, in its restraint program, is prepared to do what the CPR could not do, and is prepared to do it in a far more cynical way. We will not even have the opportunity to have public hearings to indicate to the government the feeling of Vancouver Islanders about the necessity of a railway system on Vancouver Island, and what we would like to see that rail system really do, because it is not doing what it could do or should be doing at this moment.

I think my colleague, the hon. member for Regina West (Mr. Benjamin), in asking a question of the Minister of Transport (Mr. Pepin) the other day, summed up the attitude of the CPR when it was running passenger service on Vancouver Island, and also what VIA Rail, because of lack of budgeting and lack of finances, has done. The hon. member for Regina West says that if a passenger train is run old enough, late enough, slow enough, and dirty enough, no one will get on it and the route can be abandoned.

That is exactly what the CPR was doing, to the extent that it allowed two railway trestles north of Parksville to become so worn out and so unsafe that there was no service over those trestles. The CPR had no intention to repair that bridge until the CTC required it to do so.

If one does not want people to ride on one's rail system, one does what has been done on the E & N. We essentially have a rail system which can be considered to be a heritage rail system. The stations were built in the early 1900s. The plaster is chipping off the walls. They may have had paint. It is doubtful if they have had new roofs. However, if we want to make it a tourist attraction on Vancouver Island, and I think there are some possibilities to use that railway system for the tourist industry, we already have railway stations which were built in the early 1900s.

Another way to prevent people from using the railway system so as to abandon it, as is likely to occur, is to not let anyone know when the trains are running, or run them in such a direction that the traffic flow at that time of the day is opposite to the direction of the train. That is being done on Vancouver Island.

In 1976, there were 6,585 people who used the E & N bud car, a single car. In 1977 11,000 people used it. I can understand why the CPR was asking for abandonment of this rail line. In 1977 there was an increase in passenger service and use of that train to 11,343. In 1978, when the railway union and people became aware of what was happening and that there was a real danger of losing that system, and publicity became prevalent about the E & N, the number of passengers rate went from 11,000 in 1977 to almost 44,000 in 1978. When people understood that there was a system and were interested in taking a trip from Victoria to Courtenay, to see the beautiful Vancouver Island scenery, in 1979 that passenger service provided service for 57,000 people. So it increased, from 6,000 people in 1976 to over 57,000 in 1979 because people knew there was passenger service. In one year the CPR spent $175 advertising that service.

There is all kinds of other information and evidence to indicate why people were not using it. One of the problems with the E & N railway is the speed at which the trains travel. The track bed, the rail, the ballasts and the ties are so bad that for safety, in some parts of that route, passenger trains are down to five miles per hour, in many places 10 and 20 miles per hour, and the maximum is 40 miles per hour. That is an indication both of a desire to discourage people from using rail service in Canada, particularly on Vancouver Island, and second, it is an indication of how poor the track is and how poor the CPR has been at maintaining the track bed.

Hearings were held in Nanaimo in March of 1980, at the insistence of myself and other groups within the community. Representatives from the CPR, the RTC, represented by the Vancouver regional director, Mr. Jim Eisler, people from the community, including fire departments, municipal councils, regional board directors, union people, ecological alliance people, and the E & N steering committee president or chairman made representations about the track and the desire to maintain the track and rail service.

Coming from that meeting was a very comprehensive report done by Mr. Eisler of the RTC. The report was submitted November 1, 1980. It is called "A Report on Certain Engineering Aspects of the Esquimalt & Nanaimo Railway". We were informed that this would be one of the more comprehensive reports on any rail track bed taken in Canada. It was a kind of pilot project to do a detailed study of that track bed and relate that to standards and safety standards of rail systems. Mr. Eisler made some recommendations to the Railway Transport Commission in Ottawa dealing with derailments. I quote as follows:

> There are no readily discernible trends as regards frequency of occurrence, however it has been noted that oscillatory behaviour of equipment has been a factor in four of the last seven reportable derailments on the E & N.

Oscillation occurs at certain speeds on rails systems, and often at very slow speeds. Four of the last seven derailments on that system have been because of harmonic oscillation. Trains are going very slowly because of safety factors. Because they are reduced to that speed, they are going so slow that the wheels of the train virtually creep off the track and derail that train. That is the kind of track condition we had on Vancouver Island. Because of this report, there have been some improvements.

Much of the track is 80 or 85-pound rail which was installed in 1900, and it was designed for much lighter cars than those which are going over the track now. Some of the big tank cars carrying propane, caustic soda and other hazardous goods are in the 22,000 pound range and they are not built to go over tracks of 80 to 85 pounds.

● (1900)

Most people on Vancouver Island are concerned about the ties. As one walks down the rail line it can be seen that ties and spikes are defective. A lot of reports made to the meeting in Nanaimo referred to those ties. We appreciate the attention paid by the CTC to the residents of Vancouver Island who expressed concern about safety.

The CTC report of November 20, 1980, had the following to say about ties:

> Sampling has indicated that prior to the commencement of the 1980 work season there were well in excess of 200,000 defective track ties in place on the E & N. It was determined that 60 per cent to 70 per cent of the trackage did not comply with CP "in house guidelines" for permissible defective ties and that about 4 per cent of the trackage did not meet FRA safety standards when such criteria were applied for comparative purposes.

The CP in-house standards were not met, Mr. Speaker, for 60 per cent to 70 per cent of the trackage. That is why trains were travelling at five, ten or 15 miles per hour. The only way that safety can be maintained on a rail system like that is for trains to go slower and slower and slower until they stop. Nobody gets on the train. This is what was happening.

There was the same kind of problem with ballast. In fact, the report points out that in some places on the E & N Railway the trains were virtually travelling in the mud. We now have the spectre of the CPR, in order to eliminate some of the vegetation on the track, proposing a major spraying program in areas of the island, going through watersheds in communities such as Bowser in the north part and south of Courtenay and using round-up to alleviate the vegetation problem. I would submit that a lot of those vegetation problems would be eliminated if proper ballast were put on the railway system and plants were not allowed to grow in the mud and soil, as is the case at present.

It is no wonder that Canadians do not use rail transportation. They are being discouraged from using it just as they were under the CPR. VIA Rail has not been given the access to the capital needed to improve the system and upgrade stations—or to double track. We just want one track on Vancouver Island; we are not interested in double-tracking. What we are interested in is the opportunity to go before the CTC and make the point that we want the rail transportation system on the island. If VIA Rail abandons it, it is doing exactly what the CPR wanted to do. That transportation corridor on Vancouver Island could be used by municipalities for rail transportation and for access to the highway.

Canadians have subsidized the CPR long enough through land grants. They have been betrayed by the CPR which has not provided rail transportation. We would like to see this government take action to take over some of the assets of the CPR. If Canadians have to assume all the losing propositions, perhaps we should start looking at some of those rail lines that have been abandoned, with a view to taking the property itself and using it to better advantage.

We reject the government's attitude of abandoning those lines without giving people in the communities access to the CTC in order to make their points.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the hon. member for Manicouagan (Mr. Maltais), the hon. member for Kenora-Rainy River (Mr. Reid) asked the Chair to investigate the use of the library and reading room facilities. The library is open and will remain open until the House adjourns. The reading room is now open and will remain open until 10 p.m., after which time members are asked to use the identical services of the library.

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, I must admit that it is not with pleasure that I intervene in the debate on the adjournment motion but rather through duty, since, normally, in a meaningful and worthwhile debate, it would have been interesting to talk not only about our constituents but also about a concrete bill, which I assume, must have gotten far ahead of the actual work of the committees, and to debate concrete bills aiming at promoting the welfare of all Canadians.

A poet once said, "Liberty! How many crimes are committed in thy name!" On hearing what is being said on the other side of this House I feel that not only is history being relived but it seems it will always be so.

Mr. Speaker, I shall direct my comments to you although they are really intended for my fellow Canadians. I heard the Hon. member for Nepean-Carleton (Mr. Baker) say this afternoon that we should not waste the precious time of this House. Yet, it seems unbelievable that at this very hour, at 7.05, there are no more than 30 members in attendance out of the 282 who were elected, from which I infer that if this debate had been really so important, there would be more of us participating. I am pleased to note that the Government side is better represented than the two opposition parties combined.

In his play "Les Femmes savantes" Molière wrote that if blue-stockings were short of imagination, they at least had an elaborate vocabulary which enabled them to sound impressive. Just about the same thing could be said about this Chamber. Since 1 p.m. nothing meaningful has been discussed, and I admit to being as guilty of glibness as anybody else around here. I would have liked to deal with important matters, but since we are expected to focus on the adjournment motion, we have to demonstrate the urgency or the importance of breaking up at any given moment, so that we may resume our business in our constituencies. Government members agree and so do opposition parties. I had the opportunity to travel with the Hon. member for Vegreville (Mr. Mazankowski) last year. We went around Canada to study transportation problems, and I think that in normal circumstances, it would have been interesting, instead of making those pompous speeches, to address ourselves to the question of transport, as you have so rightly pointed out when we were dealing with that subject in your area and in Western Canada. Now, what have we been doing for a week? We said, "Let's keep the House busy at any cost, because there was the mail strike and it is the only subject we dealt with." Later on, we jumped on the opportunity to introduce the subject of the uranium controversy. As far as the post-office is concerned, our colleagues opposite who are just as well-meaning, well-informed and competent as we are, know full well that once a mediator was found, appointed and set in his office, the House as such had not much more to do about that. Even if we meant to bring moral support to the two parties, namely the Post Office and the union who are now discussing with the mediator, we would not have achieved much. On the contrary, by insisting on hanging around here like watchdogs, we seemed to imply that we expected a failure. This is the very argument put forward by the Right Hon.

Leader of the Opposition when he advocated our staying on, here in Ottawa, to put pressure on the Post Office and send the postal workers back to work.

● (1910)

Why is it that a week after, just when a mediator has been appointed and negotiations have resumed only today, they oppose the adjournment motion? Why? For political gains? To show Canadians that they have their interests at heart? How commendable! But we know full well such is not the case. We know very well that the only reason we are here is that it gives the opposition the opportunity to show that we can do more than what a mediator can accomplish or what the opposing parties could do. But that is not so. As the government has said, nothing more can be done for the time being. There will be no special legislation. We will have to go along with the mediation process until we find a common ground for negotiations. That is provided for in the statutes. The opposition is always clamouring for freedom, freedom of speech and the right to be heard.

We do indeed enjoy freedom and the right to speak, but where does a right begin and where does it end? Because there has been abuse, at some point we have to be more reasonable and show some self-discipline. Members have the right to eat any time they want, twenty-four hours a day if they wish. But we know very well that using that kind of freedom would make one sick. In fact, what all members on both sides of the House should understand is that once they have voiced their opposition to some government proposal or regulation, their right has been respected. Opposition members have indeed been able to voice their opposition to a government measure and they have had press coverage.

But that is not the kind of freedom they want. They want to abuse freedom to hinder the due process of democracy. What can the opposition gain by keeping government here all summer? They will say that we must stay here because otherwise interest rates might go up, the postal service will not be restored, the uranium cartel will only get worse, while knowing full well that the report is in the government's hands. What more can they achieve? That would be akin to a doctor refusing to leave the hospital at any time, day or night, for fear that new patients might come in. At some point one has to draw the line. You have shown your opposition. The people understand. The press has reported your arguments accurately. It is not for us to judge the validity of those arguments, yet at some point one has to call it quits. I know that the hon. member for Vegreville represents a large riding whose problems are very complex, as he has told me many times. It is the same thing for me. I wish I could have attended to the construction of a road where one has yet to be built. I also wish I had had the opportunity to discuss matters with the candidate to the leadership of the Conservative Party, the president of the Iron Ore Company, my friend, Brian Mulroney. I would have tried to find a solution to the problem of those 150 fellows in Schefferville who have been laid off, but it still has to be solved.

That is why I have been unable to do everything I should have as vice-chairman of the Standing Committee on Transport since the month of January, at which time I met Mr. Mulroney in an attempt to find a solution for the workers who have been laid off; Mr. Mulroney himself wants the members opposite to be reminded of that. The president of the Iron Ore Company congratulated the Minister for Small Businesses, the hon. member for Charlevoix (Mr. Lapointe) and myself on the measures taken to help the people in Sept-Îles and Schefferville; this is the government that came forward with this special budget proposal for industrial restructuring and community adjustment. But one problem remains, that of Schefferville. Under normal circumstances, I should have been there to help the parties involved find ways and means of implementing the plan to greater advantage. But for 15 days now, I have had to postpone all that because, day after day, a debate has been extended which in itself is useless. Anyone can ask the president of the Iron Ore Company whether or not the plan set up by the government party during the winter has been of help to him and his company. Such a plan is mostly responsible for the collective bargaining without a strike. However, hon. members opposite will not mention that. I think that as a member from an area which has known 2,000 lay-offs last winter, we have more important things to do than to discuss an entirely fictitious extension of this session. Some people, as the hon. member for Rimouski-Témiscouata (Mrs. Côté) put it very well earlier, have done their best for us throughout the fall and spring and they should normally be entitled to holidays. Families are involved in this. The opposition is showing how irresponsible it is. If it cannot be more responsible in the House of Commons, how could it be given responsibility for the public administration as the government? This is important.

The hon. member for Rimouski-Témiscouata also raised the issue of families. When hon. members get together what do we often hear? That the life of a parliamentarian is not easy, that it is difficult and complex. We are far from our families. We would like to be closer to our children and look after their education. However, we are the first ones to burden ourselves and to become martyrs in a cause of our own making. We would be much more responsible if we were in our constituencies, with our families, working normally, finding out what is going on there rather than trying to solve the issue of interest rates within the next six weeks or trying to solve the postal conflict when the ability of the mediator has been acknowledged by both sides.

Let us deal with the uranium issue now: the new problem this week. Hon. members opposite know quite well that the report delivered to the Attorney General of Canada comes from the officials of the departments involved. Unless we want to question the professionalism of those people, all that

remains to us now is to do exactly what the Attorney General is doing, that is to defer everything to the courts. Now Parliament is not a court. Parliament is supposed to legislate. When the reports are tabled, when the proceedings are launched, we will be in a position to know what it is all about and to ask questions if we should probe deeper into some matters. However, this is absolutely not the case at present. This week, we had nothing but presumptions and innuendoes. How can we possibly have a serious debate when all we are doing really is to try to mark time, to show interest in an issue which does not concern us for the time being since it is before the courts. I am surprised that mature people who were members of the previous government cannot assume their responsibilities with more seriousness.

A moment ago I said that there were 30 of us when we started off. I see now that there are two members on the NDP side and four members of the Progressive Conservative Party. I am still thinking of the hon. member for Nepean-Carleton (Mr. Baker) who was saying that above all we should not waste the precious time of the House. There are very few people in the gallery and not many members in this House. I think we ought to be more serious because if the people saw what is going on here they would be quite discouraged because we are not doing democracy any good. Quite the opposite. When we travel through our ridings and hear what people have to say about the institutions which represent them, there is no reason to be surprised to see how little respect they have for those institutions and even for parliamentarians.

The type of comedy—that is exactly what it is, I think—we have been witnessing for the past week does not do anything at all to enhance the calibre of the debates we should be having and above all does not contribute anything to restore the fame and the lustre of an instituton such as Parliament. I for one am far from being proud to see the situation we have gotten ourselves into as parliamentarians because we did not want to co-operate and especially because we did not want to be reasonable.

● (1920)

We are the first to ask in the name of public interest that reason triumph over passion and that we have some parameters to guide us in certain institutions and certain conflicts, but when the time comes to apply such things to ourselves, I often have the feeling that we are unable to accept that kind of discipline. We may have a tendency to act somewhat childishly as though we were in boarding school, but this is not the way to inspire the Canadian people with respect for parliamentary institutions. And I know that people of my own generation often have a tendency to smile when we speak about Parliament.

When I first came here myself, I had the impression that Parliament was much more serious than this. We must admit that we deal with serious issues, but the rule which gives us the right to speak does not necessarily mean the freedom to abuse this right, even though the two are often confused. This does not restrict democracy but shows a certain discipline, and we should normally be able to do so as responsible people. It seems much easier to have good intentions than to do something concrete. What gets somewhat irritating in this House is the fact that they always want to speak, and even though I have taken 20 minutes to speak, I would have found it much more normal to be in my own region representing my fellow citizens than to repeat what has been said earlier and to say things which will be repeated later by members on both sides of the House, even though nothing will have been gained. I am certain that, sitting in his place, the hon. member for Vegreville is aware of this, and he should be free to say so, but I believe he is prevented from doing so by a mental restriction, because basically there is common sense on both sides of the House. However, there is always a tendency to say what we want to say and to ignore the rest. I remember one of my teachers who always said: It is better to keep quiet and be thought silly than to speak and prove it. I have the impression that it would often be better here if we kept much more quiet—

Mr. Shields: Why didn't you?

Mr. Maltais: Perhaps we should apply this principle on this side of the House, but perhaps it has been better illustrated this past week by the other side. That is the difference. What I want to say in closing is that we should amend our rules as early as possible during the next session, because I am told that the same situation has existed and the same things have been repeated for 114 years. I would prefer the party opposite to be much more progressive than conservative, because I often feel that the opposite is true now and that they are more conservative, more limited in their creativity and their imagination than able to do something positive to see to it that our rules are changed as quickly as possible.

I have to say in all honesty that it was perhaps a good thing a few years ago to have long debates and long speeches, but I believe this is no longer the case. What is important is to outline principles, to make the public aware of the regulations and to see to it that the opposition has the time to explain its objections, and then we can vote. That is a democracy. All the rest is talk and discussions which lead nowhere unless, as the hon. member for Rimouski said earlier, we do not want to have any contact with our constituents and prefer remaining in Ottawa to enjoy the weather.

I do not think that Members of Parliament in general want this. Most of them would like to go home. It seems to me that we have fallen into a trap much deeper than we could have imagined. The hon. members should now admit that the government had no other solution than to impose this motion of closure and finally draw the line so that we could go back to our ridings. I know that the opposition would perhaps have

liked to show more strength, but this changes nothing in the role of the opposition. What is important when you express an idea is the strength of your argument.

It does not matter how long nor how vigorously they argue, it will not change a thing. I think their leader expressed the views of their party quite clearly and what was said after was just a rehash. It does not matter whether we stay here a year, a month or a week longer. What the Prime Minister (Mr. Trudeau) said on the government side does not change the situation either. It is like a dog running after its tail. I do not think we are getting anywhere by staring at each other here on this Friday July 17 at 7.30 p.m. when we could be doing some concrete work.

Finally, I would add that it is not by sitting here, by making speeches like the one I am now making that we are going to change the country or make interest rates go down. That is for sure. I remember that when the opposition party was in power, we had to increase productivity. What is happening today? Our productivity is certainly not excessive. And I remember also that when we had 14 per cent interest rates, it was the party across the way which renewed the mandate of the head of the Bank of Canada for another seven years: It was the government of the day which confirmed the president of the Bank of Canada in his position. If we want action, if we want to find formulas, it is not by arguing as we have been doing for the past five hours now that we will do it. In conclusion, Mr. Speaker, I ask that the guillotine be applied, for lack of anything better, but that as early as the next session, we really get down to work in order to find rules much more appropriate not to the twentieth century but to the twenty-first century ahead.

[*English*]

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I listened with some interest to the speeches this afternoon. If one listened to them and looked them over, one could lump together the hon. member for Manicouagan (Mr. Maltais) and the hon. member for Rimouski-Témiscouata (Mrs. Côté) who both seemed terribly dissatisfied with the rules of this House. I wonder who they think brought them here. The rules of this House were brought in with closure by a Liberal government. It took the spending authority out of the House. That is when this House lost its authority, effectiveness and responsibility.

That is one of the main reasons for the small attendance in the House these days. Besides, this is the dinner hour. The hon. member should not think that the shortage of personnel belongs to only one party in this House. I recall to his memory the last time, and it was a very rare occasion, the Prime Minister (Mr. Trudeau) decided to speak to us, and over 100 Liberals were absent from their places.

Mr. McKnight: I don't blame them. It was a terrible speech.

Mr. Maltais: When was that?

Mr. McKinnon: If the hon. member cannot remember when the Prime Minister spoke, he may have been one of those who were absent.

[*Translation*]

The Acting Speaker (Mr. Blaker): The hon. member for Lotbinière (Mr. Dubois) on a point of order.

Mr. Dubois: I would like the hon. member to give us the specific date and time.

The Acting Speaker (Mr. Blaker): That may be something the hon. member would like to know or ask to the hon. member for Victoria (Mr. McKinnon), but first, it is not a point of order, and second, I should like to remind the hon. member that the hon. member for Victoria is not required to answer in one way or the other.

[*English*]

Mr. McKinnon: I can only say that I endured the Prime Minister's speech on that date. When I spoke shortly after, I pointed out that there had only been 42 Liberal members present. I believe that leaves over 100 members absent. I will look up the date and give it to the hon. member. I obviously do not have time now to look it up.

I suppose it would be fair to say that this adjournment debate actually started over a week ago when the motion respecting the summer recess was introduced by the government House leader. Adjournment debates are often looked upon as opportunities to review the performance of governments. Time never permits it to be done comprehensively or in detail. Therefore, I can only speak of a few of this government's many faults.

First let us turn to the atmosphere in the House. In my eight and a half years here I have never seen anything like it. It has been an extraordinarily long session. Much of the time has been spent in the struggle between the official opposition and the government over the arbitrariness of the government. The struggle has had two quite disparate facets. One was the Constitution debate. The other was a grouping of items which could only be put under the heading of general incompetence of the government. It surfaced as a national energy program, an ineffective budget, the uranium cartel, the paranoia about hiding information, and the cessation of mail service.

● (1930)

The struggle concerning the Constitution resulted in a victory for the Official Opposition when the government finally agreed that the Supreme Court of Canada should have an opportunity to look at the legality of the course the government was set upon. Had it not been for the determined stand of the Official Opposition, the Constitution question would long since have been sent to another country for amending, with the amendments not having been provided by the several parts of this confederation but by the federal Liberal Party only. What a travesty of federalism!

In his speech eight days ago when the government House leader first attempted to send this Parliament home in the midst of the worst scandal to strike the government in 15 years, in the middle of a mail strike and at a time when the highest cost of living of all time was upon us, the government House leader attempted to console us with a litany of the bills which had been passed. To me it was a rather incredible performance, particularly when he stated, as recorded at page 11426 of *Hansard*:

> During this session, we have passed more economic or financial bills than ever before in previous sessions—

Later he said:

> —there is a lot of major and most important legislation related to financial matters, related to budget, and related to other major subjects, like the Post Office, the Bank Act and others.

Why do I consider these remarks incredible? It is because of the results so far obtained by the government. We have the largest national debt ever, the highest rate of inflation ever, the highest interest rates ever, the largest deficit ever and, worst of all, the highest cost of living ever. There is no plan for resolving our economic problems.

The Minister of Finance (Mr. MacEachen), when not in seclusion, seems satisfied to let things drift, hoping that a recovery will occur in the United States which might drag us up with it. That is a most peculiar attitude, in that if our government seems to be heading in any direction, it is directly opposite, economically speaking, to that of the United States.

Now the government has produced the final insult to democracy. Beset with all these difficulties, which of themselves demand action, the government has decided to abandon Parliament and to adjourn it by closure, a step never taken before in our history or, as far as I know, in the history of any mature democracy.

I believe it is quite appropriate that the cabinet minister selected to move this vicious closure does so not in his role as Postmaster General (Mr. Ouellet) but, rather, in his position as Minister of Corporate Affairs. The uranium cartel scandal falls within the responsibilities of that department. This is a minister, hon. members will recall, who promised that the Bertrand report would be made public. He now has the effrontery to claim that by passing it in secret to the secretive Minister of Justice (Mr. Chrétien) he has, by his version of Orwellian double-speak, made it public. I am a salmon fisherman, but I have never seen a fish try as hard to get off a hook as the Minister of Consumer and Corporate Affairs has tried to get off the hook of cabinet and ministerial responsibility in this matter. He has squirmed, he has jumped, he has dodged and run, but all to no avail.

What about the uranium cartel? I have watched carefully during the past weeks the stonewalling, deception and cover-up being practised by the mover of this closure motion as well as by his colleagues, the Prime Minister and the Minister of Justice. The last two particularly try to answer every question on the subject by saying that their government initiated the Bertrand review. They carefully stay away from dates. This is simply begging the question.

The facts are, first, that in 1971 the government began to consider forming a cartel to control the price of uranium on an international basis. In April 1972 the deputy minister of energy, mines and resources chaired a meeting in the boardroom of the Department of Energy, Mines and Resources when both the deputy minister, now known as Senator Jack Austin, and the former director of the combines branch, opined that the cartel would be illegal according to Canadian law if it affected the price of uranium within Canada. Senator Austin stated that the cabinet agreed with the arrangements. Although Mr. Austin was the president of Uranium Canada, a Crown corporation now charged as a result of Mr. Bertrand's report, Senator Austin has not been charged or even listed as an unindicted co-conspirator.

The price of uranium skyrocketed in the early 1970s, and Ontario Hydro was forced to pass the extra costs on to the purchasers of electricity. I must say that I found the remarks of the Minister of State for Mines (Mrs. Erola) perhaps rather influenced by the district from which she comes. She was proud that Uranium Canada had, subsequent to this, made a lot of money. This may go over well in Sudbury where mining is the chief local industry, and in that particular respect I have often wondered how the Minister of State for Mines would feel if a large excise tax were imposed on nickel as this government has imposed one on natural gas which is found in my province, in Alberta and in Saskatchewan only.

In any event, the extra costs which built up that profit were paid by consumers. Consumers paid extra charges for electricity. This, of course, also rendered the cartel illegal in terms of Canadian law, and anyone connected with its management and operation, if possessing knowledge at all, would appear to be in a very serious legal position. The question then arises: was the cabinet aware of this? Was the then minister of energy, mines and resources aware? Was Senator Austin aware?

The hon. member for Lincoln (Mr. Mackasey), a former minister, spoke with his usual eloquence an hour or so ago, but I am sorry he did not see that as a good time to clear up one matter which is bothering all of us, and that is just when the cabinet did find out that the effects of the cartel were in fact raising the cost to consumers in Canada and therefore indulging in an illegal practice.

I will get back to the question of just who knew about this and who did not in a few moments because that really is the crux of the present debate.

In 1975 the effects of the cartel were known. Subsequently a group of Conservatives started an action regarding the matter. Still the government did nothing.

In 1977 the government commissioned Mr. Bertrand to investigaste the cartel. At the same time or shortly after, it passed a secret Privy Council order forbidding any disclosures or discussion of the matter in public. That was the famous gag order. In fact, it was seriously questioned as to whether members of Parliament should be allowed to ask questions on the matter.

To get back to whether the appropriate companies and persons have been charged or not, first I might point out that two of the firms are Crown corporations the correctness of which surely must be of interest to parliamentarians. The individuals about whom we are concerned were also either senior employees of the Crown or cabinet ministers at the time. For such individuals to be held blameless, as the Minister of Justice has determined they are, they must have had no knowledge of the illegal activities carried out during what has been considered an illegal operation—and so considered by the Minister of Justice, I might say.

The government is asking us to believe that all those against which there was viable evidence have now been charged. Therefore, we assume that he considered that no cabinet member or deputy minister of the day knew anything about the illegality of the cartel, and I am speaking in so far as the effect the cartel had on the prices in Canada only.

If anyone believes the Minister of Justice, he must believe that Senator Austin chaired a meeting at which the director of the combines branch, Mr. Henry, stated that the cartel would be illegal under Canadian law if it affected prices in Canada, and yet the Minister of Justice claims that Senator Austin is innocent. If one believes the Minister of Justice, one must believe that Senator Austin, then deputy minister of energy, mines and resources, pointed out that the cabinet agreed with what was happening but, on the other hand, that he knew nothing about it. If one believes the Minister of Justice, one must believe that the deputy minister of energy, mines and resources never told his minister, the Hon. Donald Macdonald, anything about the questionable practices the cartel was engaging in.

While on the matter of Senator Austin's not even being named as an unindicted co-conspirator, one must consider that as deputy minister of energy, mines and resources Mr. Austin was also president of Uranium Canada, a shell of a company now charged as a result of the Bertrand inquiry. The additional question concerning Senator Austin is a statement to a cartel meeting, held again in the board room of the Department of Energy, Mines and Resources, that the cabinet approved the agreement. If the cabinet approved, one would presume it knew about it. One wonders if the one-time secretary to the Prime Minister ever found time to brief the Prime Minister on this important matter.

● (1940)

The Minister of Justice expects us to believe that all cabinet members, including the Prime Minister and all deputy ministers, were in blissful ignorance of these matters. The hon. member for Saskatoon West (Mr. Hnatyshyn) told the Minister of Justice that he was stretching our credulity to the breaking point. I will go somewhat further. The Minister of Justice long since passed the breaking point of my credulity. I simply cannot believe that all these people knew nothing about what was going on.

No more do I believe the Minister of Consumer and Corporate Affairs, that model of rectitude who assured the House that when the Bertrand report was completed it would be made public, and then passed it in secret to the Minister of Justice who refuses its release. It has been a sorry story. The government first helped to organize and coerce Canadian companies into a cartel that shortly turned to illegal practices in Canada; then, when discovered, the government passed a "gag" privy council order to stifle and to make illegal all discussion of the matter.

When one listens to the Minister of Justice at the centre of this debate, one should notice that he answers nearly every question by stating that the Liberal government set up an inquiry that lasted four years and that this should exculpate them from any complicity in the alleged illegal operation. The Minister of Justice never states when the four years were.

There are just three or four dates to remember. The cartel started in 1972. During the period 1973 to 1975, the effects of the cartel were well known but no action was taken. The Prime Minister has admitted himself that he knew of the illegality in 1975, but nothing happened until 1977. The four years the Minister of Justice boasts about were the last four years, from 1977 to 1981. Thus, during the nine-year course of this disgraceful and devious deal, the government took five years of price gouging, bid-rigging and other nefarious practices before they did anything.

Now the government has decided to adjourn Parliament, using closure to do so. This will give them three months away from the critical voices on this side of the House. They will no longer even need to make a pretence of answering questions or accepting responsibility for the Canadian situation.

It is bad enough to close Parliament with the economy in serious difficulty, the mails not operating, rampant inflation and high interest rates devastating businesses and individuals alike, but to do it by using closure is an affront to democracy in this country of ours. It is a sorry day indeed.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, I will start my speech by saying that I am a little surprised at the last remarks of my colleague opposite for whom I have a great deal of respect, the hon. member for Victoria (Mr. McKinnon), who for a good many years has been sitting here in this House, except to say that when he says that the use of closure is an insult to democracy, an attack on the members' rights, Mr. Speaker, such remarks do not sound true to my ears. I am a little surprised at such a statement when we are told that while we have high interest rates, high inflation, a postal strike, there are now problems to be solved and closure is being applied as a means of closing a debate.

Indeed, Mr. Speaker, the debate on the adjournment motion started a week ago, on Friday. Bill C-48 was reintroduced at the report stage, the opposition put an amendment forward and there has been endless talk. One after the other, opposition members have discussed the amendment. I submit they did not

accomplish much, and after sitting here for a whole week I do not think that many problems have been solved because the opposition insisted on remaining here.

This in no way means, Mr. Speaker, that I would like to deny opposition members the right to speak. I myself chair a committee, and I see here my hon. friend from Nepean-Carleton (Mr. Baker), who sits on the Committee on Justice and Legal Affairs, where we were examining the access to information bill. I tried as chairman to give people every opportunity to express their views and put questions. But faced with this whole situation here with so much talk and empty words, I would say as an experienced member of the legal profession that when we have to proceed in court and make a case either for the plaintiff or the defendant, at some point the judge says enough, and that is that. I feel unfortunately that our Standing Orders are really antiquated.

There is something that is unbelievable. I have no intention, of course, of denying the opposition their basic right to speak. Under the Latin maxim *audi alteram partem,* used in the courts of justice, the other side has to be heard. That is important. But there comes a point when enough is enough, and I feel that faced with that whole problem, we ought to make some change. On this side of the House, there are 146 or 148 members, we have a majority, and there is the opposition, but something is amazing. This government or rather the House can easily be opened under an order from the Speaker, but it cannot be closed without the use of a section of what I could call the code of procedure. It cannot be closed without consent.

Some ministers who used to be House leaders used to say that the House of Commons only works with consent, and it is my experience over a year and half that indeed the House does not work without consent. House leaders, both from the government, the official opposition and the New Democratic Party, meet and discuss the various bills that are to be called in order to know if they are to go through or not. There must be consent. Without consent, the bill cannot go through, and without consent the House cannot adjourn. This is a vicious circle, Mr. Speaker. What should we do? The House can be opened but cannot be closed without invoking a standing order, Standing Order 33, and the other side says this is an insult to democracy, an infringement of the right to speak! I understand that my hon. colleague from Nepean-Carleton and my colleague from Winnipeg North Centre, have been sitting, along with the hon. member from Drummond (Mr. Pinard), on a committee dealing with parliamentary reform.

As far as I know, everyone was agreeable to cutting down on the time members would be allowed to speak. Their right to speak would not be infringed upon but we were going to cut it down in order to update this institution. In fact, it would have to be done because the present situation is quite extraordinary. While respecting the right to speak of every member how can we explain that after one week of debate on different subjects, and mainly on the motion of adjournment, that we are now forced to resort to this procedure, that is Standing Order 33? I think this is an abuse. Can we say, that as a result of being here for the past week there has been some progress in the postal strike situation? Has there been a settlement? Has something happened in that respect? Nothing has been done. A mediator was appointed. Is it because the opposition as well as the government were sitting in the House that the matter got settled? I have said that the House can be recalled quickly, that it only takes a telegram from the Speaker requesting the calling of the House as has happened last fall when we reconvened on October 6 instead of the 14th or the 15th of October as scheduled. The House could have quite easily gone on summer recess last Friday and it could have been recalled if necessary by the Chair to continue with the debate.

Mr. Speaker, all this points out to the fact that our rules are quite out of date and that they should definitely be changed. Let us give members the right to speak, I agree. But, nothing in our little green book of Standing Orders denies honourable members of this House the right to ask questions or to participate in a debate. Mr. Speaker, if, during question period, the Chair had to recognize as many government members as opposition members, honourable members opposite would feel discriminated against and denied the right to speak. But in fact, it is in the Standing Orders that members of the government have as much right as members of the opposition to ask questions.

But what has happened? A custom developed as a result of which opposition members ask more questions than members of the party in power. However, the traditional right, under Standing Orders of the House for any member to ask questions, is the same for everyone. If the rules were applied to the letter, every time a member of the opposition would get up, a member of government should get up also if we were to follow the rules and the floor should be given to a member on the left and on the right and on the far right, thus we would draw a circle and as many members from this side could speak. But, members across the floor would complain that they are being denied the right to speak. However, that is the rule! Mr. Speaker, for all those reasons, I think it is about time we bring improvements to the standing rules and orders of this House. But if I am referring to the present situation, it is to point out that although some of those orders may appear outmoded, they did not preclude 65 bills from reaching the third reading stage and royal assent since April 1980. These include Bill C-16, an Act to amend the Old Age Security Act, Bill C-36, an Act respecting the national anthem of Canada and several other bills which were adopted.

Regarding the bill to change the Post Office into a Crown corporation, I remember that when the bill reached the third reading stage, in this House, hon. members from the other side

came to congratulate the Postmaster General who is also the Minister of Consumer and Corporate Affairs (Mr. Ouellet) on what they thought was a very good bill. I recall that even my colleague from Nepean-Carleton crossed the floor to commend the minister for that bill. I do not remember exactly who did likewise on behalf of the New Democratic Party but one hon. member did.

● (1950)

[*English*]

Mr. Paproski: After the next election you will be able to ask all the questions you want, you will be in opposition.

Mr. Dubois: Do you think so, my friend? It has been just about 17 years that you have been in opposition.

Mr. Baker (Nepean-Carleton): —the justice committee.

Mr. Dubois: Don't talk about the justice committee. You are a member and very often not there.

[*Translation*]

Mr. Speaker, as far as the Post Office is concerned, I think that everyone is hoping that after September 1, the situation will greatly improve, an improvement which all Canadians would very much like to see. It is one of the bills which have been adopted, and I think this House has every right to be proud of this achievement which will make many if not all Canadians very happy.

An hon. Member: What about the Italians?

Mr. Dubois: Italians are Canadians as well. However, we must also remember that many bills which should have passed did not. I am referring to Bill C-37 to amend the Holidays Act. I think, Mr. Speaker, that this is a situation most Canadians expected, and I was very disappointed to read in the *Hansard* of June 29 that the hon. member for Nepean-Carleton, for whom I have great respect had proposed that this three-line bill be referred to the Standing Committee on Communications and Culture, whereas since—

An hon. Member: What about Justice?

[*English*]

Mr. Crosby: It is your fault.

Mr. Dubois: It is your fault, my friend.

[*Translation*]

—1966, Mr. Speaker, concerning the name of Canada's birthday, 22 private bills have been introduced to substitute the word Canada for the word Dominion. Again in *Hansard* for June 29, 1981 I read the remarks made by the hon. member for Yorkton-Melville (Mr. Nystrom) when he was saying something about various newspaper articles, as recorded on page 11045, I quote:

> On June 30, 1970 . . .
>
> . . . in *Le Devoir* under the title *Next Year, Canada Day* . . .

And one week later the subject came up in the July 6 issue of the *Gazette*. Here we are in 1981 and it has yet to be done. What surprises me is that the day after, on the other side, on July 2, the hon. member for Etobicoke Centre (Mr. Wilson) asked a question and said this, as recorded on page 11130, and I quote:

> Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday we had Canada's birthday—

Well, one day the opposition members say that we must keep the expression Dominion Day and on July 2 the hon. member for Etobicoke Centre, who was a minister in the former government, talks about Canada's birthday. So where does that party stand?

It will be recalled that very recently in Quebec the Progressive Conservatives tried a new approach, saying that the Progressive Conservatives wanted closer ties with the ethnic groups. I have here a letter, or rather a telegram which was sent by the president of the Quebec Federation of Ethnic Groups, and I will read it, Mr. Speaker:

> Right Hon. Joe Clark
> Leader of the Official Opposition
> House of Commons
> Ottawa, Ontario
>
> Dear Mr. Clark:
>
> At a time when Canada is marshalling all its forces to free itself from the remnants of colonialism and recuperate all the privileges and prerogatives of a sovereign state, we had the unpleasant surprise to learn through the media that the Progressive Conservative Party which you lead has conducted a filibuster in the Commons to delay or, perhaps, to block the adoption of a bill introduced by the Hon. Francis Fox, the Secretary of State, to replace Dominion Day by Canada Day. Is that not an anachronistic intervention within the antiquated context of the past era of the Dominion which casts a shadow on our pride as Canadians?
>
> We would have liked that law to be proclaimed on the 114th anniversary of Confederation, to the great satisfaction of all Canadians of every allegiance from coast to coast, but unfortunately you blocked the adoption of that bill. We are disappointed about that.
>
> On behalf of the Quebec Federation of Ethnic Groups Inc. and in my name, we hope that you will change your attitude and we thank you sincerely.
>
> Dr. Kévork Baghdjian, M.C.
>
> President of the Quebec Federation
> of Ethnic Groups

So we responded to the ethnic groups in Quebec. We replied to this letter, this telegram by saying that this was a bill respecting Canadians, that we are proud of Canada, that we were proud that the bill provided for a holiday called Canada Day, but that unfortunately it had to be referred to committee because some believed that this issue had not been discussed long enough.

● (2000)

[*English*]

Mr. Munro (Esquimalt-Saanich): On a point of order, please. I have been listening with a great deal of attention to the comments made by the hon. member. However, he claimed that on July 2 the hon. member for Etobicoke Centre (Mr. Wilson) rose to ask a question. I would read the English of the version.

Some hon. Members: Order, order!

Mr. Munro (Esquimalt-Saanich): Excuse me. "Yesterday we had Canada's birthday"—

[*Translation*]

—Canada's birthday, that is a mistranslation. Yes, but he said it in English, precisely!

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Despite the comments to my right, it is interesting enough that the hon. member has pointed out a fault in translation in *Hansard*, and that is perfectly within the rules of a point of order.

[*Translation*]

Mr. Dubois: Mr. Speaker, with respect to *Hansard* for July 2, the French translation does indeed say "fête du Canada", I know that my hon. colleague—who by the way speaks excellent French—was present that day and that he would prefer it to be Dominion Day still, that is obvious from what he is saying tonight. In any event, Mr. Speaker, I am disappointed by the turn of events. Some suggested that this was a hasty bill, yet it had been tabled in June, 1980. I wonder if one can still talk of haste after a year.

Mr. Speaker, despite all these pieces of legislation which were or were not introduced, I would like to speak of certain policies put forth. Why do we not speak of the Farm Prices Stabilization Board for example? I know our hog producers got a lot of help from the federal government, but I do not think we can say as much about the Quebec government. What was extremely important also for my riding was the new textile and clothing policy.

Mr. Speaker, I believe that Canadians and Quebecers were waiting for this policy, which was well received both by management and by labour and which will enable our textile and clothing industry, which represents many jobs for Canadians, to keep up with the times, to become truly competitive and to give us a really Canadian product while maintaining and increasing the present level of employment. Mr. Speaker, I shall go on to something else, and I believe—

[*English*]

Mr. Crosby: Tell us about the freedom of information, first.

Mr. Dubois: Yes, we will talk about the freedom of information.

[*Translation*]

With regard to freedom of information legislation, Mr. Speaker, it is certainly not the fault of the party in power, but rather that of the opposition if it has not yet been passed. In any case, Mr. Speaker, I believe that in view of the attitude of the members opposite, the government was certainly right in using the provisions of Standing Order 33, and this is why it will certainly be very happy to see its members go back to their constituency this evening.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, with respect to Bill C-43, the freedom of information bill, I wish that the hon. gentleman would correct the record with respect to the matter of which party was at fault, because we have not reached that.

An hon. Member: You both are!

Mr. Baker (Nepean-Carleton): I think it is quite important that he do so, in view of the undertaking which I gave to the hon. gentleman, as chairman of the committee, with respect to the willingness of our party to carry this matter on.

An hon. Member: Don't mislead the House. You have already done it once.

The Acting Speaker (Mr. Blaker): I realize that the hon. member for Lotbinière (Mr. Dubois) might like the opportunity to reply, but that was not really a point of order. It was a point of debate. Unless there is unanimous consent—

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): —because the hon. member's time has expired, I cannot recognize him. Is there unanimous consent to hear the hon. member?

Some hon. Members: Agreed.

[*Translation*]

Mr. Dubois: Mr. Speaker, I wish to thank the hon. member for Nepean-Carleton (Mr. Baker) for giving me the opportunity to reply to his question. As concerns the freedom of information bill, at a certain time during the proceedings, a member of the New Democratic Party, who is unfortunately not here now, asked many questions, and later, before the Committee on Justice and Legal Affairs, he moved that the debate be limited to 10 hours. Before that, it had seemed to me that the official opposition was willing to agree to the bill. When the hon. member for Burnaby (Mr. Robinson) mentioned this limit of 10 hours, the official opposition stated that it was not ready to agree to the bill. Then, let the House be the judge: Is it the official opposition or the second opposition party which did not allow passage of that bill? One thing is certain, consideration of that bill stopped right there.

[*English*]

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is always a privilege to speak in this House at any time, although

I think this evening it is a sad occasion when we are speaking against a time limit, when we know the ability of elected members of this House to speak will cease, and they will be silenced, not because of the fact that they want to go home but because of the fact that they are being forced to go back to their constituencies, by this government. All of us would agree that we have been here a long time. In fact some of us would welcome the opportunity to go home. I think I would include myself as one of them. However, there are many pressing matters with which Parliament could be dealing if, in fact, the government chose to deal with them.

I listened with a great deal of interest to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) when he led off the debate on this adjournment motion this afternoon. I noticed that he referred to many—

An hon. Member: Don't forget this. This is your last day.

Mr. Mayer: I have not even started to speak, and hon. members opposite are getting excited. When the Minister of Consumer and Corporate Affairs led off this debate he used many phrases to which I would like to refer. He said that a democratically elected majority should be able to govern. I do not know why he should talk about that. That is what parliamentary democracy is all about, and a democratically elected majority should be able to govern. By implication he is saying that the opposition should not oppose, and that it should simply lay down and let the government roll over us.

Surely one of the most basic things about any democratic system is how one treats the minority once the majority has assumed power. In some countries people are beheaded, and in other countries everything possible is done to silence the opposition. Some countries do not have closure. As the hon. member for St. John's East (Mr. McGrath) said earlier this afternoon, closure is just as ominous to us, in terms of cutting off debate and our ability to speak in this institution, as a physical guillotine is to some other countries less fortunate than ours, as far as democratic principles are concerned.

The hon. minister also talked about the excessive abuse of parliamentary procedure. I think that was, by inference, an insult to the Chair. The Chair is here, on behalf of all hon. members, to see that rules are evenly applied. I think that it is more than a direct insult to the Chair when a minister of the Crown talks about abuse of parliamentary procedures. Anything that the opposition has done has been done in strict accordance with the rules and practices of this House. The Chair has been there to observe them, and I think that what we witnessed at eight o'clock last night bears this out.

If there was an excessive abuse of parliamentary procedure, it was attempted at eight o'clock last night by the party in power. I think that it was a grave error in the minister's judgment when he talked about that earlier on today. He further stated that in the British system, second reading of bills is really approval in principle and for those who know anything about it, second reading is given in one day. We would be more than happy to give second reading approval in one day if we could discuss bills that were simple and straightforward. However, in many cases what we have had are so-called omnibus bills which contain several clauses and refer to many subjects. For example, Bill C-57, which has not been passed yet, contained 123 clauses in 122 pages. I do not know how a minister can expect a bill of that size to receive second reading in one day. It defies my sense of fair play and logic. It would not be at all responsible of the opposition to allow the government to get away with passing a bill of that size in one day.

• (2010)

The Bank Act, Bill C-6, has 468 pages. It looks like a telephone book. We did not pass that in one day, of course. Members of the agricultural committee and the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy) will remember that we gave Bill C-46 second reading in one day. It was a straightforward bill so the opposition co-operated in getting it through without a lot of debate. That is what happens with straightforward bills.

If the minister wanted to be fair and not to talk nonsense, he would see that some of his criticisms of the opposition are not fair. Bill C-46 is important to cattle producers in this country and we have been trying to get this legislation for four or five years. Now, however, if the House adjourns until October 14 there is a danger that if we move into the second session of this Parliament, without Bill C-46 receiving third reading, we will lose the bill. That would mean that we would have to go through exactly the same procedure again. Yet we gave that bill second reading in one day, but it took some prodding of the President of the Privy Council (Mr. Pinard) to get it on the Order Paper. For the first four months at the beginning of the year nothing was referred to the agriculture committee. We would have dearly loved to have had Bill C-46 and, had the government been interested or organized, the bill could be law by now.

The minister also said that there is contempt and erosion of the privileges of the members of the House of Commons. I think we saw that erosion take place in this precedent-setting closure motion which was pushed through by this government in order to pass the adjournment motion.

We could deal with many things if we stayed, Mr. Speaker, and one of them is interest rates. A lot of people in the country regard the subject of interest rates as a time bomb. The longer we go without considering their effect on the small businessman, on householders, on families, on people trying to make mortgage payments, the greater trouble we get into.

I should like to put on record some figures that refer to the cattle industry. The average price of a pound of beef over the counter is $2.75 to the consumer. Of that $2.75, approximately 70 cents is attributable to interest charges. I refer to meat for two reasons. First, it is a major component in the diet of most people and, second, it is a product with which I am familiar and for which I am able to get figures. I suspect that the situation is the same for other foods. We need to reflect on these figures, Mr. Speaker.

We have often been accused by the government of simply opposing and not making suggestions. But many suggestions

have been made by members of both parties in opposition, Mr. Speaker. They may not be earth-shattering suggestions but they are sensible suggestions on how to hold down interest rates yet the government has chosen not to adopt them.

Recently the Canadian Cattlemen's Association ordered a study from a consulting firm to show what American farmers pay in interest charges. It was found that in many cases they were paying five to six percentage points less for operating capital than farmers in this country. When one considers that a quarter of the cost of one pound of beef is attributable to interest charges, it would seem to me that in order to bring down food costs the government should be willing to consider some of our suggestions, yet it has chosen not to do so.

In the United States there are production credit associations which have been in existence for a long time. There is also what is called bankers' acceptance finance and local banks. The Americans have a unit system of banking whereas we have a branch banking system. Their small banks operate as individual banks and that is what is meant by local banks. They also have federal land banks. The Americans make use of all these things. We do not necessarily want to copy them, but it would seem to me that we should consider the vehicles that they find work for them, but the government has not even done this. This would not only help the producer but also the consumer.

Today, figures show that inflation is very close to 13 per cent. A major factor in that is food. I do not understand why we should want to close Parliament down when there are things that could be done to help the producer and the consumer.

I have some additional figures that pertain to the cattle industry, Mr. Speaker. When a producer sells an animal, about 30 per cent of the money received is attributable to interest costs. That is a very large factor and in most cases is larger than the winter feed bill for the animal. The value of the average cow, which is the basic production unit in the beef business, is $600. At today's interest rates, the cost of carrying that cow for a year is $120. In some areas of western Canada that $120 would represent more than the cost of producing feed for the animal for all winter. That gives us an idea of the magnitude of the interest charges in the beef industry.

In many cases, because interest charges are high and unpredictable, producers are choosing not to produce at all, and that means increased prices about a year and half from now because of reduced production.

I have dealt with farming because I am familiar with it and because I am sure that many small businesses, hardware stores, grocery stores, machinery businesses, small contractors and clothing stores, all have the same problems and could attribute roughly the same percentage of their costs to interest charges. If some of our suggestions would work for the agricultural industry, I do not see why they would not be useful tools for other sectors of the economy as well.

● (2020)

We have made suggestions in this session of Parliament that the finance committee look at the whole question of interest rates. On the first day of Parliament under the Clark government a motion was accepted under the provisions of Standing Order 43 to refer the whole subject of interest rates as a special topic to the finance committee. At that time interest rates were between 13 per cent and 14 per cent. But this government is not willing to do that.

As far as interest rates are concerned, there are many things we should be considering. In my view, money should no longer be considered only a medium of exchange. If we are basing our monetary policy and some of the government's fiscal policy on that kind of a concept, it is, in many cases, outdated. Money now has to be considered as an input and we have to look at the problems we cause as far as total costs are concerned when we raise the cost of that input. The cost associated with money when it is considered as input is interest. Simply to base our monetary policy on old concepts which need rethinking and to consider that money is simply a medium of exchange misses the boat in terms of the effectiveness of some of the policies that we have designed to deal with the interest rate problem.

Another way to judge the performance of a government is by way of a report card, which the hon. member for Vegreville (Mr. Mazankowski) mentioned. I will now quote briefly from the Speech from the Throne where it touches on agriculture. Under the heading "Developing our Economic Potential", the third paragraph on that page reads:

> Food and agriculture are going to be increasingly important to the Canadian economy in the 1980s.

I agree with that statement completely. The paragraph continues:

> To further strengthen the industry, my Government plans to create a Canadian Agricultural Export Corporation to expand markets for Canadian producers.

We have not even seen the Canadian Agricultural Export Corporation, called Canagrex, even referred to the agricultural committee, which is one of the least partisan committees in this House. This proposal could have received second reading, and I am sure if the committee had sat during the period January to April we could have examined some of the ideas the government had with respect to the establishing of Canagrex.

The paragraph continues:

> A Meat Import Act will be introduced to protect both consumers and producers.

We have not seen the meat import bill come to third reading. I am sure the government will not give much priority to Bill C-46 when we come back in the fall. If that is so, then we are in danger of losing that bill. If that happens as I said previously, we will have to go through the whole procedure again. That would be a shame and it would send a signal to the beef industry in this country, which is a very important industry, that the government does not care about Canadian beef producers.

Summer Recess

The following paragraph in the Speech from the Throne reads:

> Transportation is a vital part of industrial strategy. My Government will ensure that the Canadian transportation system has the capacity to meet the economic challenges of the 1980s. My Government regards the production, transportation, handling, and marketing of Prairie grain as a national priority. Rail facilities will be upgraded, and port facilities improved. You will also be asked to consider, on an urgent basis, legislation concerning the transportation of dangerous goods.

I would like to give the government a bouquet in this instance because we did pass the transportation of dangerous goods bill. We have a very good transport committee and we were very pleased to get that bill passed. It was passed quickly because the Clark government had done a considerable amount of work on the bill, and it was non-partisan.

As far as other things to do with transportation are concerned, nothing has happened. We saw a delay in the construction time-frame for a new grain terminal at the port of Prince Rupert. If we are to meet our export targets for grain, Prince Rupert will have to come on stream. Those facilities have been delayed by the Minister of Transport (Mr. Pepin) because he tried to renege on some of the agreements that had been signed by the previous minister of transport. It is now under way but it is probably a year behind what would have been the schedule had the hon. member for Vegreville remained as minister of transport.

The situation with respect to the Crow rate is also in sad shape. The Prime Minister (Mr. Trudeau) washed his hands of the issue and said that unless prairie producers could come to some unanimous agreement on the Crow rate, the government would not do anything about it. It is fine for the Prime Minister to be unilateral as far as the Constitution is concerned, which I think we agree is fundamentally more important than the Crow rate, but when it does come to something that is controversial and requires some leadership, the government either does not have a feel for it or does not care, because the government has no members from that part of the country. Yet the Prime Minister expects the producers who are affected by the Crow rate to come to a unanimous decision.

There are many other things that could be talked about, that should be priorities—why Parliament should be sitting and why the government should be looking at some of the positive suggestions which the opposition has put forward. It is a sad day for Parliament that when we are responsible as opposition and put forward sensible suggestions, we have to face closure sending us home on an adjournment motion. As I said, it is a sad day for Parliament, and I hope hon. members opposite know the kind of sad precedent they are setting for this honourable institution.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, it is always a pleasure to follow a federal fellow colleague from Manitoba. I am pleased to provide some response to the comments made by the hon. member for Portage-Marquette (Mr. Mayer). I am particularly pleased that he seems to be so enthusiastic about continuing Parliament. I want to welcome him back to Parliament after his extended and well-versed tour of Germany. I am sorry that others of us were unable to share in that opportunity to gain some respite from our parliamentary duties. I am sure that now he is back with us this gives him some reason for his new found enthusiasm for staying here over the summer.

Several members have referred to the fact that this adjournment debate gives us the time to reflect on past events and accomplishments of this Parliament. That is a very useful exercise. It is not often during the drumbeat of daily discussion that we have a moment to step back and ask ourselves what we have produced in our labours. There have been some suggestions that the report card we present to the public might have a few emissions coming from it, but as the hon. member for Portage-Marquette said, there might even be some errors of omission.

On the other hand, we have to be judged by the standards we set for ourselves and which the people of Canada set for us when they elected this government, at least 15 months ago.

Mr. Wilson: It was 16 months ago.

Mr. Axworthy: The people of Canada wanted a government that was prepared to tackle the tough issues.

Some hon. Members: Oh, oh!

Mr. Axworthy: The people of Canada wanted a government which was not going to change its mind on the road to Jerusalem—

Mr. Munro (Esquimalt-Saanich): You have never even seen Jerusalem.

Mr. Axworthy: Here we have the anvil chorus going again with its loud litany of vituperation and paranoia. I am hoping that for a moment they might listen to a song other than the one they sing, because they have been out of tune for the entire parliamentary session. If the prime member of that anvil chorus wants to take a lead role, I am sure he will have an opportunity to do that when I am finished. He can get on his feet and perhaps sing solo for a change, instead of hiding in the back benches.

The people decided in that election that they wanted a government that would make decisions about tough issues. The tough ones are obviously those which create a sense of division and strong emotion. But there must be decisions made, and we have to make tough decisions.

Mr. Kilgour: What decisions?

Mr. Axworthy: If the hon. member in the anvil chorus wants to give me a chance, I will be glad to supply them. When this government came into power there was one dominant issue facing Canadians, and that was the unity of the country. There was a separatist government in Quebec that was using every single ounce of resource and propaganda to break this country apart. It was through the efforts of this government and the members here that we were able to fight against that act of

separation, and we were able to make a commitment to the people of that province and the people of Canada that a new constitutional framework would be put into place, and they would never have to suffer the kind of threats of separation that we had before. How many generations have had the opportunity to create a new legal framework, to put into place a foundation that will supply, for countless generations in the future, the opportunity to develop a brand new country? It is this Parliament and this government which took that tough decision. We did not back away from it. We put in place not only a new legal framework but a charter of human rights that will defend the rights of ethnic minorities and all kinds of people who have suffered from discrimination.

• (2030)

We know that members opposite are obviously not in favour of those kinds of measures. They sort of camouflaged their opposition. They say they like a charter of rights but they do not like the way we are going to do it. The argument was very clear and plain. They, who are so mired in their deep reactionary position of not wanting to make a decision that would change the status quo one whit, were afraid to move to a charter of rights that would provide this country with the kind of guaranteed protection of civil liberties that we have long needed, and that would provide a framework for an expansion of freedom in the future. That happens to be a major accomplishment. Every member on this side of the House is proud to have been part of that accomplishment.

Mr. Paproski: Tell us what you have done for women.

Mr. Axworthy: I will come to that. The hon. member for Edmonton North (Mr. Paproski) has never talked about women's rights in his life. Maybe he will give me a chance.

We came here at a time when there was a very serious and difficult issue with the energy programs and policies, or lack of them because the other government which we followed was not able to reach a decision. They could not arrive at a consensus on development. They did not have a made-in-Canada energy policy. They were simply following the dictates of their corporate friends in Calgary and elsewhere in Alberta. We know where their energy policy was made. It was made in the boardrooms of the oil patch. Even then, when it was reflective of that particular corporate interest, they still could not get an agreement with their fellow colleague, the Conservative premier in the province of Alberta.

Mr. Kilgour: What about southern Saskatchewan?

Mr. Axworthy: That paragon of paranoia over in the corner could not convince his premier of Alberta to come to an energy agreement. I suggest that he redirect his efforts westward, because that is where they really belong.

We now have in place an energy policy that is for the benefit of Canadians. It is designed to restore the ownership of our resources to Canadians, to make sure that the development and control and management of our resources will be done by Canadians. That is an accomplishment of which I am proud.

Mr. Kilgour: How many jobs in western Canada have been lost with your policy?

Mr. Axworthy: If I may be allowed just one small digression for the hon. member of paranoia over there, I will point out to him that the last employment figures in the province of Alberta show a decrease in the level of unemployment over the year for the month before, and the month before that. It is the lowest record of unemployment in the province of Alberta in the month of June. I know it is difficult for the hon. member to read figures, but I suggest he go back and look at what is really happening to the economy there.

The problem in the west is not lack of work. It is making sure that we can supply enough workers for all the jobs that will be there. That is the real issue. That comes back to the other kind of tough decision that had to be made. It was to put in place a series of programs and policies that would amount to a major attack upon the problems of industrial economic development in this country.

The hon. member for Portage-Marquette asked about transport. Let me remind him that there is a new harbour policy in place. It will provide for full scale management of our new harbours, for a change. We are now establishing a new air policy in this country.

Mr. Paproski: What about VIA Rail?

Mr. Axworthy: In terms of VIA Rail, how many members on the other side of the House have preached for years about the need for an efficient use of resources and how we must capitalize our railway to get far better performance? That is what the Minister of Transport (Mr. Pepin) has put into place. The reason is because we have a Minister of Transport who is prepared to make tough decisions, not to back away, not to hide his head in the sand, not to get himself confused in a web of paranoia and fear, and simply allowing himself to be yelling into a rain barrel, but to make tough decision, because that is what we were elected to do.

If there has been any problem with bankruptcy in this country, it has been the bankruptcy of ideas, commitment, or anything positive by the members opposite. The only answer that they have is to engage in character assassination. We have here, as a final tribute to their contribution to the debate and discussion of political issues in Canada, the great issue of the uranium cartel. We have listened now for two solid weeks to all the innuendo, allegation and picking in the garbage can members opposite trying to dredge up something to hit what they think to be a Liberal.

What they refuse to recognize is that the steps that have been followed by the Minister of Justice (Mr. Chrétien) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) have been prescribed by law, and the common law of this country. It is to investigate any suspicion, to develop a report, to have that report referred to the Minister of Justice, and to take it to court. Members opposite appear to have lost their respect for the law and due process of the law. If that is the case, then we are in a sorry state of opposition in this country.

We have heard very often about the need to refer matters to the courts. One of the great principles we have heard from the Conservative party is, "Let's go to court." We heard that week after week in the constitutional debate. They said it was the only institution we could trust with objectivity. They wanted to go to the courts because they were the only ones we could trust. What happens when we get to the uranium cartel and take the issue to court? They say, "Don't trust the courts." Well, they cannot have it both ways.

The same kind of gross political expendiency has been displayed once again in their great act of statesmanship in the postal dispute. I read some of the statements of their once or future leader. He says, "We must broaden our base, appeal to the working people of this country, and respect the whole question of labour."

Here we have an industrial dispute, one that was carried out under the proper arrangements of the law of this land. They are a public service union. We may not like it, we may not in any way advocate their stand, but the union has the right to strike. But the first moment that it strikes, what is the call from the other side? Get them back to work!" The problem is that they did not even allow the proper due process of industrial bargaining and relations to even show what it was prepared to do. Instead, they stuck their big feet and big nose into it and prevented us from getting the kind of settlement that we needed when we could have got it. As a result they used Parliament as a battering ram to forge themselves and their own political objectives, and forgot about the public interest, which was to get that dispute resolved and settled. If there are people in this country who are responsible for holding up the resolution of the postal dispute, I am looking at them right now. Their erstwhile leader, who is so anxious to stay in Parliament, has not managed to stay around for the debate in the final moments of his glory. We are sorry he is not here to share in these final moments of quiet reflection about the past record.

● (2040)

It is a sad day for politics in this country when one man, for his own political expediency and his own political future, is allowed to disrupt the public interest of this nation. The hon. member for Portage-Marquette said that majorities must be careful about their privileges and powers. That is true, but equally so must minorities. There is no minority in this country which should be allowed to blackmail the rest of the country to serve its expedient political purposes.

Who in the House will ever forget the spectacle of Conservative members of Parliament yelling and screaming and shaking their fists in the centre of this chamber? They talk about respect for Parliament and respect for the rules. Who will ever forget how little respect was shown that night when they stormed the Chair, surrounded the Table, shook their fists, and yelled at the top of their lungs because they could not have their way? That is the party which does not respect Parliament.

Hon. members opposite showed that evening that their respect for Parliament goes only so far as their interests are served. It is difficult for us to accept their cries and pleas about respect for the propriety of Parliament when we see the flagrant and abusive way they are prepared to trample the rights of Parliament into the carpet in the centre of this chamber.

An hon. Member: Take another 20 minutes and we will all go home.

Mr. Axworthy: We are running out of time.

Some hon. Members: More!

Mr. Axworthy: It will continue only if I have the unanimous consent of the House.

There is no question that we are dealing with difficult and turbulent times. All the countries whose leaders are gathering here this weekend for a Summit are facing major problems of inflation and problems of trying to find responsible management of their economies. However, the one requirement in each of those cases is to make tough decisions. This government is prepared to do just that, but we are prepared to do it with a sense of compassion and understanding. We should not simply tighten the belt, and kill the patient while doing so, but that is what the previous government was prepared to do.

While hon. members opposite are whiling away their summer hours beside a lake listening to the loons, which I know the hon. member from Edmonton does a lot, I ask them to reflect on how often they have held up as an example the programs and policies of Margaret Thatcher. During the debate on the budget we were asked by them to look overseas at the example being shown to us by the government of the United Kingdom in the way it was cutting back, restraining, cutting back employment programs and cutting back job creation. They said that is the way to run a country. This last week we have seen what the price of that has been. Short-term gain for long-term pain has been the policy of that government, but we are not prepared to follow those false prophets into that kind of program. That would force this country into the same turbulence the United Kingdom is now facing. We are proud that we have tried to stand up against the false cries we heard from hon. members opposite in the budget debate.

We have tough decisions to make. We recognize that those tough decisions will at times result in cries of alarm. They will result in emotional outcries, and create deep divisions with respect to approach, but we are prepared to make them.

I would like to close by saying to hon. members opposite that we now have a time in which all of us can do some reflecting. I hope when we come back for the next session of Parliament hon. members will show the spirit of co-operation, dedication and willingness to make tough decisions that this government has shown in this session of Parliament.

Some hon. Members: Hear, hear!

Mr. Paproski: Mr. Speaker, I would like to ask the minister one question. He said he would answer. What exactly has he done for women in 1981?

Mr. Rossi: Something you couldn't do.

Mr. Axworthy: Mr. Speaker, I would be very pleased to answer that question, but it would take me at least another 20 minutes even to begin to provide the answer. If the hon. member and the House are prepared to give me the time, I would be quite prepared to have another full round and respond to that question.

Mr. Paproski: Just tell me one thing you have done.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I wonder if the minister would tell us about the arrangements he made for Mr. Calamusa.

The Acting Speaker (Mr. Blaker): Order. Setting aside the possibility that hon. members may wish the minister to take a second round, his time has expired, and I think I should recognize the hon. member for Etobicoke Centre (Mr. Wilson).

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we have listened to a great big silence for the last 20 minutes on what the minister responsible for the status of women has done for the women of this country. The greatest thing the minister could do for women would be to go to Spadina, work for Laura Sabia and bring her up to this House.

Some hon. Members: Hear, hear!

Mr. Wilson: The minister is responsible for minorities in this country. One of those minorities is the Liberals in western Canada. I want to remind the minister that there are 21 Liberals representing eight provinces and two territories. I think hon. members opposite should recognize the tremendous responsibility the minister responsible for Liberals in western Canada and the status of women has, and that he should treat them with a little more respect than he does. Hon. members opposite should build them up in their party. It is important to the rest of the country.

A minute ago the minister said that it is a sad day for politics in this country. Today this House is witnessing a government in great distress. It is a sad day for politics in this country because never before has a government in the British Commonwealth invoked closure on a motion to adjourn, but that is what we have today. Why is it that the government has seen fit to padlock Parliament?

Mr. Chénier: It is the quality of the opposition.

Mr. Wilson: I will tell you the reasons, Groucho Marx. The reasons are the high cost of food, the high cost of energy, high interest rates, the postal strike, and the uranium cartel which has been the subject of such debate. The government cannot stand the heat. That is why we see such a row of green. We have seen empty chairs over the last two days because ministers cannot come in and face the music. I see a whole row of green. Hon. members opposite cannot face the music; that is why we have closure today—that and the energy failures in this country. The only reason the Minister of Consumer and Corporate Affairs (Mr. Ouellet) has given us for invoking closure today is that members of Parliament need a vacation. Hon. members on this side of the House do not want a vacation. We want to sit here and watch hon. ministers opposite stew in their juices and feel the heat resulting from their failures of the last 16 months. That is what we want to do for the next few weeks.

Last night we saw one of the greatest examples of trickery as hon. members opposite sneaked into the House and tried to force an issue. You, Mr. Speaker, were an unwitting, unindicted co-conspirator in that trickery.

● (2050)

My party has brought the important issues of this session of Parliament before the government. Hopefully hon. members opposite will take these issues home with them, think about them over the next three months, and come back with some new approaches to solving the problems of the country. The last 16 months have been a total failure, and there must be a change.

Some hon. Members: Oh, oh!

Mr. Wilson: There is a lot of noise from hon. members opposite who cannot stand to hear the truth. Hopefully they will come back with some new ideas to reverse their sorry record.

I should like to talk about some of the things which constitute that sorry record. For example, I refer to the uranium cartel. I listened carefully to what the hon. member for Lincoln (Mr. Mackasey) had to say about our comments. He missed the point entirely. He said that we were casting aspersions and using innuendoes to cast a cloud over some of the people involved in the matter. That is not the point. We are being stonewalled regularly day after day.

Hon. members opposite will not accept the political responsibility of coming forward and telling us what happened during the years from 1972 to 1975. This is what we are attempting to obtain. Two senior public servants have been named as unindicted co-conspirators, but it is essential to know who authorized this. Was it a deputy minister, a minister, or the Prime Minister (Mr. Trudeau)? We are asking for those documents to be made available, so that we and the people of Canada can make that judgment. We are not finding out that information. Day after day we are getting the fifth amendment from the Minister of Justice (Mr. Chrétien) and the Minister of Consumer and Corporate Affairs.

The deputy minister is on the record as stating that he clearly knew the impact upon domestic prices. Back in 1974 there was a Gulf Canada memorandum which indicated that the officials of the Department of Energy, Mines and Resources recognized that Canadian utilities had to be prepared to pay export prices. What did the government do about

it? What did it do to protect Canadians from the impact upon their prices?

I am glad the hon. member for Lincoln is present in the chamber this evening. I hope he will respond to anything I say which is out of order; I am sure he will. The department was aware of what was going on and that there could be an impact. What steps did it take to reduce the impact of the international cartel forced upon Canadian companies?

Also we want to know what the government did in response to the legal opinion of Mr. David Henry, now Mr. Justice Henry, to the effect that the cartel could later become illegal if orders had to be declined by Canadian producers as a result of the arrangement. Clearly we are looking at a case of supply and price. What did the government do to satisfy the needs and interests of consumers? What did Canadian producers do to achieve appropriate balances between supply and price, in the face of the cartel forced upon them by the government?

We do not want to send people to jail. We want to know where the political responsibility lay at that time. The matter of prices is a very important issue, especially when we consider the high prices with which people are faced today.

Today it was announced that the consumer price index is at its highest level, on a year-over-year basis, since 1948, at 12.8 per cent. The startling figure which leaps off the page of that report on prices over the last few months is the price of gasoline which has risen 42.7 per cent over the last 12 months. I asked hon. members opposite why they imposed closure. This is a good enough reason for imposing closure. Hon. members opposite, and particularly the sea of green, the ministers, cannot answer questions as to why there was a 42.7 per cent increase in the price of gasoline. What have we received for it?

During the 1980 election the Minister of Finance (Mr. MacEachen) said, "Vote Liberal and we will keep prices down." I do not think anyone who voted Liberal expected to see gasoline prices increase by 42.7 per cent. It is the most deceitful outcome of the 1980 election. The voters of the country were tricked, they thought prices would stay down, but there was almost a 50 per cent increase. The hon. member for Willowdale (Mr. Peterson) should get out his slide rule. He has not graduated to using one of these new electronic push-button calculators. If he uses his slide rule, he will see that the increase works out to 60 cents per gallon.

What have we received for the 60-cent increase? There is a deadlock with the province of Alberta, imports are increasing, and 40 per cent of the drilling rigs which are at the heart of employment in the oil and gas industry in western Canada will have left the country by the end of the summer. Approximately 170 have already left, and there has been a cancellation, which the minister likes to call a suspension, of the Cold Lake heavy oil project. What else is to come from the national energy policy? I am waiting for hon. members opposite to yell across what we are receiving. I hear a dead silence, not a word. Canadians might be prepared to pay that 60 cent increase if they thought they were receiving more.

There is little prospect that we will receive any relief from high prices. The government is doing absolutely nothing to solve the problem. The high interest rate policy is directly related to the national energy policy. We have an unprecedented outflow of capital from the country, amounting to $8 billion to $10 billion over a 12-month period. This can be related to capital moving to other countries in the world from Canadian-owned companies which were supposed to be helped by the National Energy Program. Capital which used to come to Canada from Germany is now being redirected to the United States.

Companies are sending money down to the Williston Basin, Denver, Colorado, West Texas and Australia. The Canadianization of our oil and gas industry is really the Canadianization of the Williston Basin, Denver, Colorado, West Texas and Australia. This is what Canadianization means to the companies in western Canada. This is why the National Energy Program is such a bitter pill for these companies to accept. Some members opposite have asked me, "What do you mean by saying that the National Energy Program is causing high interest rates in this country? How does that work? I don't understand."

• (2100)

Some hon. Members: We never asked you that.

Mr. Wilson: I can tell hon. members opposite that I have been asked by some of their colleagues about this. They are starting to wonder what is going on. They are wondering what is going on in the Department of Energy, Mines and Resources. They want to know what is causing this drop in the value of the Canadian dollar which is causing the high interest rates. This outflow of capital which we have seen over the last few months, and which will continue over the next few months, is putting downward pressure on the Canadian dollar.

If members opposite will read why the Governor of the Bank of Canada is putting so much upward pressure on interest rates, they will see that he believes we must maintain the level of the Canadian dollar. He says that if the Canadian dollar falls further there will be more inflation in our country. Thus, the Minister of Finance, who I saw just a little while ago sitting in the back benches, which is probably a good spot for him, wrings his hands and says that he cannot do anything about the situation because those people in the United States are forcing interest rates up.

If the minister were following an inflation policy with a broad program to fight inflation, plus an energy program which would solve our energy problems rather than confronting every element of the energy industry and the provinces involved, we would see the dollar higher by 3 per cent to 5 per cent. As a result of that the Bank of Canada could allow interest rates to settle at a much lower level, probably in the order of 3 per cent or 4 per cent less. That is what I mean when I say the National Energy Program is having a negative effect on the whole country, not just little Alberta, or little Saskatchewan, but the whole country. Everyone in the country is feeling the impact of high interest rates, which is why we

must have some changes in our energy policies. I hope the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Finance will come back to this House with a few ideas on how to effect these changes.

I would like briefly to refer to the economic record of this government. In terms of inflation we rank second. The only country which has a higher inflation rate than Canada over the last 12 months is Italy. In terms of unemployment we have the third highest rate at 7.3 per cent. We are not leading in economic growth either; we are down at the bottom. We are number five at 0 per cent growth over the last 12 months.

Those are the economic problems which this country is facing, problems which must be solved over the next three months. This is what ministers opposite must go home and think about. They must consult with their experts. Hopefully, they will consult with people in the private sector who have some understanding of what is happening in the real world today. We can only hope that they will come back with some new ideas and fresh solutions to the problems we now face.

I would like to refer to a document which I have in front of me. It says, "The National Energy Program will work." That is a bit of a joke. It says, "Oil and gas supply will be enhanced". Let me ask members opposite how oil and gas supply will be enhanced by the suspension of the Cold Lake project, the possible suspension of the Alsands project over the next few months, plus the marginal wells which are being shut down by the production tax. How will that enhance supply?

I wish to refer to another comment in this document. It says that the oil and gas industry will continue to be the envy of every other major industry in Canada with its rapid growth rate and high rates of return. That is nonsense. That is why investors are looking elsewhere to spend their money. This is why U.S. companies are selling out and moving their capital outside the country.

Mr. Peterson: Oh, come on!

Mr. Wilson: I am sure the hon. member for Willowdale (Mr. Peterson) will be able to tell his former clients how envious companies are of the Cold Lake project and how people in Imperial Oil are having to shut down that project because of the lack of agreement between the Minister of Energy, Mines and Resources and the minister of energy in Alberta.

Some hon. Members: Hear, hear!

Mr. Wilson: After 16 months we have had nothing but total failure in terms of our energy policy in this country. I would like to talk about that failure. We have had 16 months without agreements being reached with Saskatchewan, British Columbia or Alberta. We have had 16 months in which 40 per cent of our rigs will have left the country by the end of August. We have had 16 months of inaction on the part of the Minister of Energy, Mines and Resources who tells us that he is negotiating. Yet we all know that is a charade. He does not want to reach an agreement; he wants to impose, impose, impose, as he did last October. I tell you, Mr. Speaker, he will do it again. We have had 16 months of failure to come to grips with the over-reliance on oil supply from the Middle East. The biggest failure in that 16 months came just two weeks ago. I was absolutely shocked by the attitude of the minister—

The Acting Speaker (Mr. Ethier): Order, I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Al MacBain (Niagara Falls): Mr. Speaker, it is a pleasure to enter into the adjournment debate at this point. The postal matter is in the hands of the mediator. The uranium cartel matter is in the hands of the courts. Therefore, the best course to follow is to leave them alone for now. Let us get the members of Parliament back to their ridings to meet their constituents to find out what positions we should take on various matters when we come back in the fall.

I have before me the report of the Parliamentary Task Force on Alternative Energy and Oil Substitution. It is an excellent report compiled by the members of all parties who served on that committee. I am extremely proud of each and every one of them. By showing members the report tonight I hope they will take it home with them and read it during the summer recess, if they have not already had the opportunity to do so. I hope the public will ask their members for copies of the report, regardless of which party their members belong to.

I want to make particular reference to two members of that committee. They were not Liberal members. The hon. member for Bruce-Grey (Mr. Gurbin), who was in the House a few minutes ago, lent to the committee his considerable experience in science.

Some hon. Members: Hear, hear!

Mr. MacBain: The chairman, the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), was very proud of him and all members of the committee. The other member of the committee who I wish to mention is the hon. member for Mission-Port Moody (Mr. Rose). When I came to the committee I came as a supply man and not as a conservation or demand man. From my experience I thought we could almost do anything in Canada, and in the world, not only in energy but anything we really set our minds to. But from the very beginning the hon. member for Mission-Port Moody, in his eloquent manner and in a very considered way, made our chairman and all the members of the committee aware of the importance of conservation and demand to the energy scenario in this country and the world.

Tonight I wish to give my overview of the world energy situation without getting into detail, since at this hour of the night, as we near the time of adjournment, I know hon. members do not want to get into detail. However, let me say that I think we can all agree that energy is the life blood of a modern society.

• (2110)

I say to every hon. member of this House, regardless of party, that if there is an energy shortage in this country at any

time, our people will blame the national government. They will not look to the provincial governments. I say in all sincerity to all members of the House that we should be wary of this. There is a responsibility on the government of this country to provide an abundance of energy at an affordable price. Having said that, I again reiterate the great importance of conservation, which was one of the main recommendations of our committee.

We learned, on the committee, after about a year of study throughout the world, of the relationship between energy and such elements as the economy, population, conservation, food production, the North-South dialogue and the environment. In particular, we learned of the effect of the supply of energy and its use on the environment, which is very detrimental in many instances.

Early man lived in peace with his environment by fishing and hunting and foraging for food. For thousands of years, mankind on earth saw literally no environmental damage. He lived only by his own energy and that of his helpers in the group. The dawn of agriculture, in the history of mankind, was what Alvin Toffler, in The Third Wave, called the First Wave. In this era, one saw mankind live still in comparative harmony with nature. Energy sources, in addition to manual, were water, horses and oxen, forests, some coal for heating, and wind in some areas. Energy sources were such that the environmental damage was minimal.

Some considerable destruction took place over wide areas of the old world during the agricultural era. While the era extended over a period of several thousands of years, varying by area, it was only a glimpse when compared with the length of the previous era of which I spoke. For the first time, the agricultural era saw man experience the feeling that he had to conquer nature, that mankind was against nature. This idea was born in the agricultural era. Certainly mankind found itself in an uphill battle with nature and his environment.

The next era, which we call the industrial revolution, or the Second Wave, as Toffler referred to it, lasted less than 500 years; some would say 300 or just slightly over. The era was ushered in by the steam engine, and the history of this period, the industrial revolution, is well known to every one of us. We know that for energy during this period man turned to the steam engine, to electricity from water and later from coal, and hydrocarbons and uranium. Later during this period the internal combustion engine was the big user of hydrocarbons.

During the latter part of the industrial revolution, we had the use of nuclear fission. These energy sources, particularly hydrocarbons and nuclear fission, put our land, our water and our air at risk. The long-term effects of carbon dioxide on the atmosphere gives many people grave concern. The supply of hydrocarbons is diminishing. However, it is very important to note that many think the use of hydrocarbons will come to an end, not because of supply but because of the damage to our environment. That is why the recommendations with respect to this matter are found in this report to which I earlier referred.

The report, as basic recommendations, brings forth the idea for discussion of an economy based on electricity and on hydrogen. We also see conservation as an important part of our energy picture in the short, medium and the long term. Electricity and hydrogen are energy currencies, not fuels in themselves. We see electricity and hydrogen from the water—hydroelectricity from Niagara Falls, for example. We see conventional hydroelectricity from conventional sources like that. However, we also see it from my former province of Nova Scotia, by the way, in tidal power. We see the use of wind in the future, photovoltaics, the continuation of nuclear fission. We see fuel cells, and in the long term we see nuclear fusion. I will have something to say about that later.

At this point, I want to say only this: I know that there are those who fear nuclear fusion. I understand and appreciate their concern. I think all of us do, from the standpoint of what will be done with the waste and the danger from the operation of the fusion reactors. However, I just want to caution all hon. members that the use of hydrocarbons has been very detrimental to the environment, and we must be able to give nuclear fusion an honest appraisal and not just close our eyes to what has happened from using hydrocarbons.

Some hon. Members: Hear, hear!

An hon. Member: Honest appraisal. We like that!

Mr. MacBain: The energy mix of the future will consist of a great number of fuels and technologies. To a considerable extent, and hopefully more and more as the years go by, the reliance will be on renewables; for example, alcohol, methanol or ethynol. As I stated, we are hoping, in the long run, that fusion will bring an abundance of safe energy. It will not be inexpensive.

Our report suggests that the hydrocarbons, so far as is possible, be reserved for the feedstock for the petrochemical industry. However, our report and our committee were wise enough to appreciate that it will be a considerable length of time before the use of hydrocarbons can be brought to an end or to anything like that. The consensus of the committee was that the environment cannot take or tolerate the use of hydrocarbons until they are consumed in full, even if such were advisable, which would not be the case.

The committee asks our citizens and our fellow members of Parliament, especially the ministers of the government, to take a careful look at where we have been and where we are going from an energy standpoint. We made 65 recommendations in the report, and of course some are more important than others. For example, we suggested that there be a minister of state for alternative energy and conservation. All hon. members appreciate, especially those who are more senior than myself, that this is a recommendation which comes directly within the authority of the Prime Minister (Mr. Trudeau), but the committee hopes there will be serious consideration given to a ministry of state for alternative energy and conservation who would serve under the minister of energy.

• (2120)

We also suggested a commission to be known as Hydrogen Canada to look after the research and development, demonstration, commercialization and utilization of hydrogen. That is an obvious need, since our report puts such importance on hydrogen as the energy currency for the future. It is pretty obvious that the world is moving to the use of hydrogen. We made that point in our report and I think this will become more obvious as the months go by.

Canada now leads the world in the technology necessary to produce hydrogen. As with other nations, we have not done the research and development, demonstration and pilot projects that are necessary in order to make the expansion of hydrogen plants viable.

The committee has asked the government to consider making sufficient contributions to nuclear fusion research to at least permit this country to sit at the international scientific table on fusion. The Minister of State for Science and Technology (Mr. Roberts) has indicated that this advice will be followed. We must now ask what is the position of nuclear fusion in the future. I say unequivocally, Mr. Speaker, that my personal position is that the answer to an abundance of energy in the future will be fusion.

There is no scientific reason why we cannot have fusion and there is no engineering reason why we cannot have it. I hope the money will be found for the research and development necessary for the commercialization of fusion. Although I feel, as do members of the committee, that conservation is important and will always be important in the area of energy, when you consider that the world's population will increase from over four billion to 11 billion in just over 50 years, even with conservation and the other renewables that I have mentioned, important as they are, having regard to the supply of hydrocarbons and the danger in their use, it seems obvious that we must consider fusion for the long term.

I take the position that we in the North have a burden that we must carry to supply energy for people of the South. I do not see how we can make available to the billions of people in the South the energy they will require in the future to bring their quality of life to anything near that which we enjoy, unless we can offer fusion. I know that fusion is expensive. We are perhaps $200 billion away from the first commercial reactor. It will, however, give us an abundance of energy without the dangers of nuclear fission.

When hon. members and ministers are speaking in their ridings, I would remind them that it is very easy to forget about hydrocarbons and worry about the dangers of nuclear fusion. I would like to see balanced thinking in the future and I am sure we will achieve this.

I appreciate the opportunity to put forward a brief overview of the energy picture in the world as I see it. Where I have gone beyond the report—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Regina West.

Mr. McKinnon: Mr. Speaker, I have a point of order. About 7:30 this evening the hon. member for Lotbinière (Mr. Dubois) raised a point of order and demanded that I tell him the exact date and hour when the Prime Minister (Mr. Trudeau) was speaking in the House and over 100 Liberals were missing—

The Acting Speaker (Mr. Ethier): Order, please, the hon. member for Regina West (Mr. Benjamin).

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise with modesty and enthusiasm to take part in this debate. I have not had a chance to do this for several months so I find it somewhat ironic now. Usually governments want to keep us here to pass legislation and opposition parties vote against that. The government recites a long list of items on the Order Paper that it feels are important and should be dealt with. On this occasion, however, the official opposition started the fracas, saying they would not leave until the postal strike is settled, so we sat here this past week.

My hon. friend and colleague the hon. member for Winnipeg North Centre (Mr. Knowles) today moved the adjournment of the House. The government voted against adjourning the House and so did the official opposition. It is no wonder the voters are confused by what has been going on in the past day or two. The performance of the Postmaster General (Mr. Ouellet) at ten minutes to ten last night caused—and this would take some doing—my colleague the hon. member for Winnipeg North Centre to talk about reconsidering our position on recessing this Parliament. That performance last night was less than worthy of the minister, the Liberal party and the government.

We did reconsider and my colleague moved a motion today to adjourn the House. Those who want this Parliament to sit this week and the week after, or however long it takes, had only to remain in their offices until four o'clock this afternoon and Parliament would have been sitting next week. But who folded? Who was the bowl full of jelly? The Tories. They were going to keep us here "till hell freezes over", as I think one of them said. They were going to keep us here until the Post Office strike was settled, they said.

I would like to see us sit for another two or three weeks or however long it would take to get a lot of other issues debated. But who caved in, who cut and ran at 1300 hours today? It was those members who wanted us to sit until the Post Office strike is settled. They chickened out. I do not want to hear from any more Tory speakers in this debate tonight, Mr. Speaker.

• (2130)

My colleague the hon. member for Winnipeg North Centre has said, and I agree with him, that because of what the Postmaster General tried to pull off at ten minutes to ten last night, and again because of what he said today, puts us on the side of the official opposition. We get on the side of the official opposition and we look around at one o'clock this afternoon, but they are all gone, heading for the hills.

An hon. Member: You should have known better.

Mr. Benjamin: You guys had them sized up better than we had. It was all bluff and fluff in the first place.

Now, let me get you fellows.

Mr. Shields: You are in bed with them. What are you talking about?

Mr. Benjamin: The Post Office strike is nothing more than a symptom of disease. I predict, and I hope I am wrong, that we will be back here in August or September on back-to-work legislation, on matters relating to the Seaway workers, on matters relating to the seamen's union and, the grain handlers. You name it; there will be a list as long as your arm. Those are the reasons the Conservatives should be keeping this Parliament sitting.

The postal strike is only a symptom of disease. We will have half a dozen more symptoms the rest of this summer, this summer of discontent. This discontent has to do with things like tax reform, interest rates, housing, bankruptcies, the fair prices commission, energy policies, and another little one that happens to be a pet of mine, and that is VIA Rail. Everyone is in the act.

I raised the matter on June 29 and I am extremely pleased and proud of my colleagues from all parties who have been raising hell about that matter since June 29. I tried to be courteous by sending material that I had from a secret-type source and I even spread it around among Conservative and Liberal members of this place. Those are the things that we need to be here for next week.

If the boys from Nova Scotia and New Brunswick want to get up and ask about Atlantic Limited, they cannot do it if they cave in tonight. They caved in this afternoon. They gave up. I would like to tell some of my colleagues on the government side from New Brunswick and Nova Scotia that the Minister of Transport (Mr. Pepin) wants you out of here when he makes his announcement next week or the week after about VIA Rail cancellations. Hon. members will not be able to raise the matter in their own caucus, let alone the House of Commons.

Mr. Corbin: We have.

Mr. Benjamin: But what did you get? You got kicked in the head, and you will get kicked in the head some more.

It is not just the postal strike, VIA Rail or a number of other matters, it is asking Parliament to sit for the rest of the summer if necessary to deal with matters which will require in some cases a 180 degree turn in present government policies. Governments of all political stripes have had to do that now and again. Governments have had to face up to making about turns. And, by the way, if they did have the guts to do that, they could get some credit for it.

You cannot continue to have the kind of performance we have had in Parliament in the past week, with big talk from the official opposition that they will keep us here until Christmas, and then they fold and quit. They are the first ones to fold up.

I happen to disagree with my colleague from Winnipeg North Centre. I thought from day one that we should keep Parliament here for reasons other than the Post Office strike. But the government after its performance last night and today has a lot of nerve moving closure on a rule which has not been used since 1913. How desperate can the government get? the government wants us out of here. The government does not want anyone asking questions. The government does not want even its own caucus members around to fight and raise a little bit of heck.

Mr. Gimaïel: Look around you.

Mr. Benjamin: Let me get on to why I think Parliament should sit next week. I could mention the herd maintenance program. My colleague the hon. member for Humboldt-Lake Centre (Mr. Althouse) has been trying to get something out of the government on that, as have some members of the official opposition. That is one reason to have Parliament sit next week.

Members from all three parties have been trying, either in this House or in their own caucuses, to get something done about interest rates. That is another good reason to stay here next week.

Then there is the matter of bankruptcies. I have had phone calls from businessmen in the last couple of weeks. That would be a good reason to stay here next week. What are we going to do about that situation?

Then there is the fair prices commission. That might be a good reason to sit here next week.

Those are reasons why my colleague from Winnipeg North Centre moved his motion to adjourn the House today. But the Tories chickened out. They cut and run. They were big talkers over the past week.

The problem is not only the Post Office dispute. You cannot put the state of the economy of the nation on the backs of the postal workers. There are many other things equally or more serious than the Post Office. Such as energy and transportation.

I come now to my main point. Here sits a government with a bunch of Liberal members from various parts of central and Atlantic Canada who are in the process of raising the cost of transportation and ignoring the energy issue. This government is abandoning 16 rail passenger routes and is reducing the frequency of five more. I am pleased that both Liberal and Conservative members from Atlantic and central Canada have been on their feet and saying things in public. I hope that gets a message to the Minister of Transport. But this government does not want us to sit here and talk about those matters.

The Canadian Transport Commission has already ruled that 15 of those 21 routes on which they have held hearings should be retained. Liberal members from Atlantic Canada and Tory members from western Canada agree with that. I think I can safely assume that is a topic we could discuss next week. But

the Liberals want out of here and the Tories have caved in after all their big talk about the Supercontinental through Saskatoon and Edmonton. And now they want to go home. Members from New Brunswick and Nova Scotia have moved motions under the provisions of Standing Order 43 concerning these matters. Would it not be nice if we could sit here next week and discuss those matters with the Minister of Transport?

• (2140)

A creature of this government, a child begotten by this government supported by the official opposition, by my party as a last desperate resort to bail out the CPR and CNR from hauling people around Canada was something we supported. Three years later, where are the people who supported it? They are all worried about the route to their own constituency. They are not worried about transportation in Canada as a whole. Everyone wants to go home this weekend for the rest of the summer. The Tories have chickened out. The greatest victory the Leader of the Opposition (Mr. Clark) could have won is if he and all his colleagues had stayed in their offices until four o'clock this afternoon and Parliament would be meeting on Monday. But they chickened out.

I do not want to hear any more words from government members, some of whom have phoned me and asked me where I got this argument about my railway line. We should continue to sit for the larger reasons of interest rates, transportation, energy, housing, you name it. If the NDP is nothing else, it is well organized. There will be a third of us here tonight, a third here next week and a third the week after. When the crunch comes, we will be here. I wonder about those who ask where the NDP will be. The guys who said that Parliament has to keep sitting, where the hell are they? Less than half of them were here today. They are ones who were going to make Parliament sit until the postal strike was settled. They blew it this afternoon. They just emptied their big bowl of jelly and they blew it. I do not want to hear another word from any Tory about what should be done by this Parliament starting next week. They caved in this afternoon at one o'clock.

Mr. Kempling: Where were the NDP?

Mr. Benjamin: I remind the whip of the Conservative party that the hon. member for Winnipeg North Centre (Mr. Knowles) moved a motion to help the official opposition keep this House sitting next week. What did they do? They voted with the Liberals. They ran for cover. They had a dog fight in the lobby here at one o'clock this afternoon, ran for cover and then voted with the Liberals. That is something they have been wanting to do all week.

My colleague had the courage to say that, as a result of the idiotic things the Postmaster General (Mr. Ouellet) said last night, we would reconsider our position. He had the courage to move a motion, but where were the Tories?

Mr. Blenkarn: How are you going to vote tonight?

Mr. Kempling: Where's Broadhead?

The Acting Speaker (Mr. Ethier): Order, please. It might be interesting for the Chair to hear what the hon. member for Regina West has to say. I invite hon. members to listen to that hon. member for his remaining three minutes.

Mr. Benjamin: I want to inform my colleagues and friends to the right—

Mr. Blenkarn: Are you voting with the Grits tonight?

Mr. Benjamin: As a result of what the government did last night and today, we have been reconsidering our position. I ask the hon. member to wait for the vote. However, I am prepared to give him odds that we will vote against adjourning the House.

Mr. Blenkarn: You don't know how to vote. You are waiting for Stanley to tell you how to vote.

Mr. Benjamin: If a political party, whether it be in government, the official opposition, or the third or fourth party in this House, decides on a cause and makes it plain it is going to fight that issue on a matter of principle, unless it sticks to that and sees it through, even if it should lose, that denigrates not only the House of Commons but our political system, which happens to be our party system of government. All parties have problems internally. There is no denying that.

Some hon. Members: Oh, oh!

Mr. Benjamin: I would ask the parliamentary secretary why he was so angry tonight when one of his colleagues decided to change places with me. I personally believe there are good grounds and cause for this Parliament to sit for the rest of July and into August. It is not the issues which cause the postal workers and a lot of others to go out in strike and continue to strike for the rest of the summer. I resent this playing of games, this bluff and fluff, this bowl of jelly.

Mr. Blenkarn: How are you voting?

Mr. Benjamin: I ask my colleague to wait until 0100 hours. However, I will meet any one of them behind the curtain for a bet or a punch in the mouth, which that hon. gentleman is going to get.

Surely the whole exercise over the past week requires this Parliament to continue to sit. When a government decides that in spite of all the legislation on the Order Paper that it would like to have passed, it wants out of here, and the official opposition wants to leave, there is something wrong.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, it is an honour to follow the huff and fluff member opposite. I have the highest respect for every member sitting in this House. Whether that member be a backbencher, minister, member of the Conservative party or the NDP, I hold respect for that person. I respect especially the more senior members such as the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for Lincoln (Mr. Mackasey), who reminded us

today that we should not abuse our parliamentary immunity and should not accuse someone before that person has been charged and proved guilty.

I lose some of my respect for members when I see a deliberate obstruction of Parliament, when I see Parliament being hijacked, valuable time being wasted and other members being held here as hostages. Last night we experienced an episode where the hon. member for Nepean-Carleton was protecting the rights of the hon. member for Edmonton-Strathcona (Mr. Kilgour). That was very praiseworthy. It took a whole hour. Today two hours were wasted on the motion of the hon. member for Winnipeg North Centre. That is three hours in which we could have passed very important legislation through this House. However, that time was wasted. That is when I become disappointed and start losing some of the respect I hope I will continue to hold.

● (2150)

I was very disappointed when the hon. member for Nepean-Carleton tried to deny members on this side the right to speak. The hon. member said, "I was trying to save the House the trouble of listening to the Postmaster General". The House leader of the official opposition preaches about the right of every member to be heard and then stands up in his place and attempts to deny a minister the right to speak. I suggest it is not the role of the opposition to hold members of this Parliament hostage. I suggest it is not the role of the opposition to waste time deliberately, to hijack Parliament and to delay deliberately the passage of important bills.

I do not mind sitting here all summer. I can sit through July, through August and through September if the opposition has something constructive to contribute. But what have we heard from the opposition? We have heard no constructive or worth-while suggestions. Have they made one worth-while suggestion respecting inflation?

Mr. Blenkarn: Yes.

Mr. Flis: About now to reduce interest rates?

Mr. Blenkarn: Yes.

Mr. Flis: About how to bring down the deficit?

Mr. Blenkarn: yes.

Mr. Shields: Mr. Speaker, I rise on a point of order. I wonder if the hon. member would care to comment on the tricky business behind the curtain.

Mr. Flis: Mr. Speaker, I lose respect for hon. members who do not even know what a point of order is.

We heard from the other side that, yes, they have made concrete suggestions about reducing the deficit, but what do we hear every day in the question period? The expense of carrying out every request they make would drive this country to bankruptcy.

I would like to make another point. Some hon. members have made it already, but I would like to reinforce it. When the House rises, that does not mean all members go on holidays. As the Postmaster General (Mr. Ouellet) reminded us, we have a duty to our constituents. I owe it to my constituents to spend a certain percentage of my time with them. Because of the deliberate delaying tactics we have experienced during the Constitution debate and so forth, I could not do justice to hearing the concerns of my constituents since I would make an appointment and then have to dash back to Ottawa because there was a vote. At least give me some time over the summer break to work in my constituency so that I can hear the concerns of those Canadians and bring the concerns here on October 14.

I feel I have a duty to my family too. There is work around the house to be done. I think we have to do our jobs as fathers and mothers. I think I owe it to my family and to myself, but I owe it to Canada to spend a proportionate amount of time in the House and in my constituency with the people who sent me to this House.

As members of Parliament I think we should be setting an example for other Canadians in our political roles, either on the government side or in the opposition, as well as in our private lives. I do not have statistics to quote, but I would hazard a guess that members of Parliament probably have the highest rate of marriage break-ups. Why? Because if the opposition had its way, it would reduce us human beings to things. When we are reduced to things, we cannot think creatively or constructively. We cannot play our roles as fathers or mothers in our families. We cannot work with our constituents. I for one refuse to be reduced to a thing. I am a human being. I am an elected member of this House of Commons and I refuse to be reduced to a thing. I am a human being and I want to be respected for that.

The hon. member for Etobicoke Centre (Mr. Wilson) who preceded me said that hon. members on his side of the House do not need a vacation. That is true; they do not. They have been on vacation all year. That is why they do not need a vacation.

I mentioned that I respect all individual members in this House. I would also like to pay tribute to and show my respect for the two opposition parties in the House because I lived in a country where there was no official opposition for a full year. There was opposition to government but no official opposition. I think this is what makes the democratic system so strong. I will always hold a very high respect for members who play a constructive role on the opposition side.

However, I think the public would have a greater respect for the two opposition parties if they would show some co-operation and some trust in the government. On Wednesday the hon. member for Dartmouth-Halifax East (Mr. Forrestall) said, "I do not trust the government." That is recorded in *Hansard* at page 11583. I think hon. members in the official opposition do not trust the government because they have not learned to trust themselves. They have not learned to trust their party. They have not learned to trust their leader and,

because they cannot trust their leader, their party and themselves, it is no wonder they have lost trust in Canada and any government which would be ruling it.

Hon. members in the official opposition should start regaining trust in their own leader, their own party and themselves. Just because they have lost that trust, for God's sake they should not take it out on us. Why are they taking it out on us? They should put their own house in order. They should not bring their lack of trust out here, but that is what appears to be happening.

In any debate I think the debaters should make recommendations. I recommend that the official opposition change its attitude because that is important to Canadian unity and to the development of our country.

The official opposition appears to be obstructing any policy or bill which is good for the country. I do not know why it is doing this. Let me give just one example. In the Speech from the Throne of October 9, 1979, the then prime minister of Canada, the present Right Hon. Leader of the Opposition (Mr. Clark), said, "My government is committed to making Canada self-sufficient in energy by 1990." Yet today the official opposition is doing everything it can so that the National Energy Program of the government does not meet its objective. Why? It is one of the same objectives of the previous government. The process of meeting that objective may differ, but surely there must be some co-operation in meeting this objective since both governments felt that was an objective which was good for Canada and all Canadians.

In debating Bill C-48 hon. members opposite were telling us all week to disband our energy policy. The Conservative party ran in 1980 on the platform of disbanding some of the energy policy. Hon. members opposite said they were running on the platform of disbanding Petro-Canada. The people spoke. The people told them what they wanted. They wanted Petro-Canada. They wanted this National Energy Program. However, somehow that did not sink in; the message did not get through. I hope the official opposition will change its attitude.

My concern is that this type of destructive attitude is creeping into the parliamentary committee process. I had the privilege of chairing the special parliamentary committee on a national trading corporation. This was one of the special parliamentary task forces represented by all parties, the Liberals, the Conservatives and members of the New Democratic Party. I think this is what added strength to the committee.

All year it was a pleasure to chair this committee because partisanship was put aside. We were given a problem to solve. We went out, tried to identify the problem and then tried to come up with a solution to that problem. As I say, it was a pleasure to chair such a committee because partisan politics were almost non-existent. We heard from 450 witnesses, had 270 meetings and travelled across Canada coast to coast, and Canadians told us that this was an excellent process because finally parliamentarians were listening to grassroots Canadians. It was their testimony which helped the committee come up with the recommendations it made.

The problem identified was that in Canada, as large as it is, we do not have a corporation or a consortium large enough to bid on huge capital projects funded by the World Bank or the Asian Bank. I am speaking of capital projects worth $50 million and up. The largest companies in Canada admitted to the committee that they cannot afford to take the risks involved in exporting such huge capital projects.

• (2200)

All three parties agreed that this was a problem. Another problem which the committee identified was that some assistance had to be provided to small and medium-sized business in order for them to get into the export trade business. This was also agreed to by all three parties. The committee came up with many recommendations such as improving more financing for EDC, and providing an export training school. One major recommendation was that Canada needed a trading corporation. The witnesses told the committee that the private sector could not do this alone and that they did not want the government doing it. Thus, we had no alternative but to come forward with a recommendation that it should be a joint co-operative effort and that such a corporation should be formed, funded by the private sector and the government. The more the private sector funds the corporation, the less the government will have to fund it.

Two Conservative members agreeing with the problem did not agree with one major recommendation. As chairman of the committee I suggested to them that they should provide the committee with alternative solutions or suggestions and that we would try to work them into the report. We went to the final stages of the report, and the two Conservative members did not provide any alternative solutions. But they employed various delaying tactics such as the ones they used in the House. Their deliberate delaying tactics which hamper the work of Parliament concerned me because they were creeping into the work of the committee. I was sorry to see that happen. Alternative recommendations never came forth, until the report was tabled in the House. At that time these two Conservative members issued a press release to the media, not to the committee or the House, indicating their position and why they dissociated themselves from the report. How low can one stoop in the parliamentary process? It was a cheap shot. I hope hon. members of the official opposition will change their attitude and return on October 14 in a more co-operative spirit.

In closing, I remind hon. members and Canadians that the fact that Parliament rises for the summer does not mean that all members are going on holiday. Some of the minds of hon. members of the official opposition have already gone on holiday; this is why we are not receiving any constructive suggestions. Many of us will be working in our constituencies, many of us will be taking French or English immersion classes. I owe it to my constituents and to Canada as a whole to spend a portion of the time in my riding as well as here.

The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) said this afternoon that the government was attempt-

ing to gag Parliament. How can we gag someone who has nothing to say? Also he quoted the Postmaster General (Mr. Ouellet) as saying that it is time to go on holidays. That is not what the Postmaster General said. He said what I have been saying this evening, that is, how important it is for us to work in our constituencies.

I should like to take this occasion to recommend one more thing. When Parliament rises, I recommend that its break coincides with the school break which is normally in July and August. My recommendation would be that that is when the House should rise. We do not need three months; two months would suffice. At least we would be assured of that time to spend with our families. We would show the example that we should show as fathers and mothers, and we would be more effective when we returned.

When we all return on October 14, hopefully we will all have done some soul searching. Perhaps I will have to change my attitude. If so, I certainly will. We should all come back with more positive attitudes so that we can work more effectively and constructively. One group of people will benefit if we do that, that is all Canadians.

Some hon. Members: Hear, hear!

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I should like to make a few comments in this adjournment debate which reflect upon how the last nine months are viewed by my constituents, by myself and, more generally, by the western prairies, especially southern Alberta which reacted as we did to the federal political scene of the last nine months. I suggest there are two interlocking issues which have dominated the scene, not only in Parliament but all across Canada. I am referring to the Constitution and the energy issues. It is appropriate that I make some remarks about these two issues and their impact upon my constituency and, in general, upon southern Alberta. Then I should like to relate them to the approximately 100-year history of southern Alberta and generally of western Canada.

Most of us remember 1967 when we celebrated with almost a spontaneous enthusiasm our one hundredth anniversary as a nation; it was our centennial. I am sure some hon. members and their children went to Montreal for that special birthday party, Expo '67. I was privileged and pleased to do so. As a nation we were on an enormously great high and possibly more united than ever before in our history.

A decade later we all lived through and survived the trauma which ensued when one of our ten provinces, Quebec, proposed to separate, and our remaining nine provinces and especially the federal government went to great lengths to try to convince Quebec people to remain in confederation. But today, just after our one hundred and fourteenth anniversary as a nation, we are more divided than at any time in our history. Why? How could we go from the 1967 high to the critical and even desperate state of affairs today? I think it is a fair question which we should all ask each other. It is not easy to explain because there are a number of complex and historical factors involved.

For instance, the three prairie provinces were created in 1905 without the legal right of ownership of our lands, including natural resources. During the first 25 years we were so busy keeping out of debt that we never even missed the ownership right, at least until the dirty thirties came along and out of sheer desperation those rights were returned to us. It is ironic that the same natural resources of oil, gas, coal and, most important, our fertile soil and fresh water, add to the complexity because of an incredible national preoccupation with energy and the economic crisis today.

Suffice it to say, the three prairie provinces have experienced a dramatic change. They have evolved from have not to have provinces. Central Canada, Ontario and Quebec have difficulty accepting this readjustment in Canadian history. The politics of this readjustment hit home with a resounding shock wave at 8 p.m. on election night, February 18, 1980, when we switched on our radios and televisions in western Canada to hear that the political decisions had already been decided by just two provinces, Quebec and Ontario, before our western votes had even begun to be counted. We will never forget that moment.

I should like to refer to the constitutional issue. Last October 1980, the Prime Minister (Mr. Trudeau) announced his intention to have the government patriate the Constitution in a very specific and new approach. This subject was not an election issue or campaign promise of any party. In those early weeks there was an indication of broad public support to bring home our own Constitution, the British North America Act. Most of us need to be reminded that the BNA Act was formulated here in Canada, by Canadians, under the leadership of Sir John A. Macdonald and it was kept, by our choice, by the British Imperial Parliament. It was kept there to be amended from time to time at our direction. While there is widespread public support to bring it home, we are clearly divided on the proposed process to bring it here. Most of us are deeply concerned about the indecent haste to have our Constitution amended before it leaves Britain and about the unilateral aspects of the patriation, specifically that none of our provinces should be consulted or should be allowed to participate in the process. The only explanation which this Parliament and this nation have ever been offered for this haste was to carry out the Prime Minister's promise to Quebec during the referendum campaign.

• (2210)

In my opinion it is a combination of the Constitution and energy issues which appear to be dividing our nation today, certainly in western Canada. Certainly, 20 per cent interest rates and record inflation which show no sign of abatement will not help solve our troubles.

I suggest there is another aspect which should be mentioned and not overlooked, especially by us in western Canada. I ask hon. members to reflect on the make-up of our population in western Canada today. I want the House to consider that over 100 years have elapsed since the west began to be settled. Essentially the make-up of the west is the end result of three

sources over that 100-year history. First, there were the pioneers who came west prior to 1900, many of them prior to the coming of the steel in 1885. The second group were the homesteaders who probably came to the west from 1900 to 1920. Third, there is the present-day movement of new Canadians, and a significant number of Canadian-born younger people who have migrated from the central and Atlantic provinces. All three groups, in their respective times, shared a common philosophy and need. All were prepared to leave their homes and, very often, their country of birth to come west and begin a new life. The first two groups in particular endured incredible hardships over many years and several generations in this re-establishing process. All three groups shared a common goal and desire to be part of a new country with that visible and tangible evidence of owning their own home or farm and contributing as individuals to a new way of life.

This is why the property rights issue is so important to all of us in the west. It was almost an obsession with us when the indication was so apparent that the reference to God and property rights were to be left out of the Constitution. We have not forgotten that. I am confident we will emerge from this political crisis essentially because of the history, the circumstances and make-up of our peoples. I am referring, of course, to western Canada, which has much to be proud of and much to work for as we approach our second century in the west.

We must not settle for a unitary style of federal government in a country so vast in physical scale and so rich in resources in all its parts and in its peoples. Above all else, we must develop not only a new desire for, but a new way to make our Canada truly a confederation of its parts, its regions and its provinces.

Some hon. Members: Hear, hear!

Mr. Hargrave: After the last two days of debate we should remind ourselves often of this bigger and more important picture.

I would like to make a few specific comments about the agricultural sector. Members of this House will be aware of my genuine concerns over the many years about drought in western Canada. I have spoken on this subject on numerous occasions over the last eight and a half years, and as recently as this spring. I have much pleasure tonight in describing an incredible turnaround in moisture and growth conditions throughout most of western Canada. Grass conditions in the short grass ranching parts of the southern prairies, which covers all of southern Alberta and most of the southwestern corner of Saskatchewan, are the best I have seen since 1953—that is 28 years. Grain crops are equally favourable with harvest only a few months away. This wonderful turnaround has given us all immense satisfaction and has restored our confidence in the ability of the prairies to come back and produce perhaps our largest total farm crop in history.

There is still one unfinished item from the 1980 and early 1981 drought which I hope will be attended to. I understand that the Minister of Regional Economic Expansion (Mr. De Bané) is now to be responsible for the herd maintenance program. I am sure he is aware that there are still some unsatisfied claims left from the drought program for last year and this spring.

I urge the minister to consider once again the excellent priorizing of the new disbanded review committee. They went to a great deal of trouble and much labour to categorize four categories, and category one and two were of the highest priority which now total about 2,500 producers. I suggest most sincerely that they should be received by the minister and assessed since there are many in that group worthy of receiving some attention under that herd maintenance program. This number includes a small number of cattlemen on the Alberta side of the Alberta-Saskatchewan border, on the south slopes of the Cypress Hills going right down to the Montana border. The only possible explanation which may exist for this omission—and I regret having to say this—is that they are all in the Province of Alberta.

An hon. Member: Shame!

Mr. Hargrave: I think that's a tragedy.

All Canadian cattle producers are disappointed that the meat import measure, Bill C-46, has not cleared the standing committee. There are only three witnesses still to be heard. Surely they could have been scheduled for hearing over the last two or three weeks. Surely that could have been arranged. There was lots of time when we were not sitting as a committee. The committee just seems to have folded, and this started about three weeks ago for no apparent reason.

It would be reassuring and helpful if the Minister of Agriculture (Mr. Whelan) would make a positive statement as soon as possible with respect to Bill C-46 that the committee work will continue in the next session without any repetition. I once again remind the Minister of Agriculture about the serious reservations expressed by many of the witnesses about Bill C-46—expressed during the committee sessions—about the GATT agreements, the related items of guaranteed minimum access, those levels of imports of beef as determined by that guaranteed minimum access through GATT and the human population growth factor, that condition which Canada was evidently forced to agree to but no other country, especially the United States, had even to consider.

● (2220)

Both of these items must surely be renegotiated. The Minister of Agriculture has been in Alberta all of this week attending the annual meeting of provincial ministers. Of course, with him were the ministers of agriculture from all our provinces. They do this every summer. I sincerely hope that they discuss, in some detail, such timely topics as one or two items I want to mention now. I would point out that it is still apparently too early to even hear some of the subjects which were discussed. However, these are very important meetings and I hope that they had some serious discussion about the harmonization of the increasing number of provincial stabilization and subsidy programs for both hogs and beef cattle. It must now be obvious to all of us that the increasing trend to balkanization

by various provincial programs could very well invite American border restrictions or even closures of that border for hogs and pork and for beef and cattle. That would be a tragedy.

I hope the ministers seriously considered the cattlemen's carefully developed plan for what we now know is a deferred income-averaging trust concept that would essentially provide an individual stabilization program for cattle producers. The funds from such trust accounts could very well be used to supplement the Farm Credit Corporation which is now so short of capital funds.

Finally, I hope the hon. Minister of Transport (Mr. Pepin)—I am sorry he is not here—will not give up on the Crow freight rate issue. I appreciate his genuine interest in this very touchy subject, especially last fall, when he made a determined effort to travel around the country making some comments on it and occasionally speaking in the House on it. He knows the concerns of some of us on this very special issue, and I appreciate his genuine interest. All I can say is that the Crow issue must be resolved. The two major agricultural groups are close to a compromise right now. These two, of course, are the western agricultural conference and the commodity coalition group. I urge the transport minister to once again renew his interest in this fundamentally important issue and encourage a final compromise by the farmers of western Canada themselves. I thank Your Honour and hon. members for this opportunity.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, I am delighted of course to take part in this debate. However, at the same time I feel somewhat distressed in view of the fact that for the past week we have been rehashing the same subjects and making the same futile and totally useless remarks in this House.

Mr. Speaker, I would be inclined to describe this debate as a demagogic marathon. In fact it is almost embarrassing to have to take the floor here tonight and to repeat once more what has been said a million times. Yes, Mr. Speaker, a million times. The speeches I have listened to for nearly a week could all be summarized in one single speech.

It seems now that honourable members opposite have just made a discovery. It seems that all our domestic problems and perhaps even all international problems should be settled before the adjournment of this House. It makes one wonder whether the provincial legislatures and all the legislative assemblies of other countries settle all those problems before adjourning. Mr. Speaker, I do not believe so.

Therefore, I shall be very brief because, as I have just mentioned, we have already listened to this kind of speech a million times. But what have we also heard Mr. Speaker for the past week? Let us try briefly to analyse the situation. First, the opposition makes me think somewhat of a family with children some of whom are learning to walk and others who already know how to walk. The opposition makes me think a little of the former who are unable to follow their big brothers attempting to run. The opposition tacks on to the government somewhat in the same way, trying to run behind their big brothers and sisters but they trip and fall. Their only alternative then is to cry, to get angry and to hang on. This is somewhat the situation which occurs in this House at the present time with an opposition which is tagging along with the government.

What have we done over the last week? To begin with we talked about the postal strike. Imagine! The House had to sit. The government had to stay in the House to legislate the postal workers back to work. Big deal. Although the normal negotiation process was going on. Of course, we would all like to see this dispute settled but there is never a strike which has not been harmful to someone. It is quite clear that strikes are no joke but it is not the duty of the government as we have said on many occasions, to rush in every time a strike occurs somewhere and to attempt to settle it in all sorts of ways especially through legislation.

Then, all of a sudden they realize the weakness of their argument and they gradually shifted to the issue of the uranium cartel. I could tell honourable members opposite that they too represent a cartel, the demagogy cartel. When we were dealing with the constitution, they attempted by all sorts of innuendos to tarnish some reputations—

Mr. Dionne (Chicoutimi): A Conservative specialty!

Mr. Tousignant: A specialty indeed of making innuendos against this one or that one.

Mr. Dionne (Chicoutimi): Wrecking reputations!

Mr. Tousignant: Giving people a bad name!

For a while, the opposition has been demonstrating its inability, its lack of intellectual power and its real incapacity to act as an efficient opposition in collaborating with a government which is determined to give a good performance.

There have been talks of insults to democracy. Imagine that! I will not linger on that point, I shall merely let the House decide who is showing contempt for democracy. Today is already July 17, and I shall add 1981, because I have the feeling that some people around here have lost all sense of time and of the value of time. Today being July 17, 1981, we ought to be in our constituencies working, as tomorrow is not a holiday. The members opposite are in no hurry to adjourn as many of them are on a holiday all year around. When a government has a majority of only 12 members it stands to reason that they must be in the House everyday, from Monday to Friday. Canadians must understand that. Of course, I admit there are hard working and dedicated people in the opposition, and I can see some right now for whom I have a high respect, but there are also quite a few who are away and that makes

strictly no difference to the working of Parliament. Those members have no fear to be overthrown, they are already. But on this side of the House, with a majority of only 12 seats, we are duty bound to be here on a Monday to Friday basis. Ministers must leave to represent the government somewhere. I had said 12 members but I had included Madam Speaker, so it is more like 11. As I said, ministers have duties outside the House and must absolutely absent themselves to represent the government. Therefore if we do not want to find ourselves under the threat of an election, we have to be here. Meanwhile what is happening? We are away from our ridings to do our job as law makers in this House but we also have the responsibility of working as representatives of our constituents.

How can this be done? We leave on Fridays and rush to our constituencies where we work over the weekend. Many people are not aware of the fact that MPs, particularly government MPs have a very tough job—

Mr. Dionne (Chicoutimi): Seven days a week.

Mr. Tousignant: Yes, as my colleague from Chicoutimi has said, it is seven days a week. For my part, I can say that I have been a member of Parliament for two years and that I have still not taken any holidays. That is a fact. I must also say that before being elected, Mr. Speaker, I had a house in the South and I have had to sell it because I cannot get away. That is true for most people here. We work from 15 to 16 hours a day. Members of the government have to be on the Hill at 8 in the morning for meetings, and every day, we stay here until 10, 10.30, 11 or midnight. Since the beginning of the session, we have not been idle, and in addition, we go back to our constituencies, not to rest but to work, and not simply to meet individual voters, but also various social groups, individuals, municipal bodies, and so on, to learn about their problems. If we really want to govern this country properly, we have to start by seeing what is going on in our own regions, at the grass roots, and by talking with the people to determine how their problems can be rectified.

The opposition is holding us hostage. Mr. Speaker, we hear a lot about the hijacking of airplanes, but for me, what is going on here is political hijacking. For heaven's sake, today is July 17, the days are beginning to get shorter, and still no thought has been given to the fact that those who work for the House should be able to take some time off. As for us, as I said earlier, our work does not stop here. In spite of all this, we have to try to see something of our family, our children, who no longer know us when we go back home, and also to see people and learn about their problems.

Yet, Mr. Speaker, as we must be philosophical when faced with such situations, we have to tell ourselves that there must certainly be a positive aspect to all this.

I hope that if there is to be a positive side to the current situation it will be, as this has been said so often this evening, the opportunity to get rid of this antiquated system under which Parliament operates, and to go ahead as early as next fall with some type of parliamentary reform that will make this Parliament more effective, without palavering and loss of precious time.

Mr. Speaker, based on the yearly cost of operating this House, each day costs some $360,000. But who cares about that? If we chose to, we could reach a much higher level of efficiency by using very simple means, if we took the trouble next fall, under parliamentary reform, to address those problems, to ensure that we do not fall back into that same masochistic ghetto. We tolerate this situation, it goes on and on, and we see no improvement over the years. Every time a new member first arrives here, he hopes that things will improve, but over the years everything remains almost static.

To conclude, I would express the hope that next fall, hon. members from both sides of the House will work together on in-depth reform. We are here 282 MPs elected by the citizens of this country. It seems to me that we would be in a position to manage the country if we gave ourselves the tools to do so. But we entrench ourselves in what I called that ghetto that literally impedes our operations. Therefore it is useless to go on much longer, Mr. Speaker, I am somewhat bitter that we still are forced to make speeches here tonight and repeat the same comments for the nth time.

• (2230)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, in military manoeuvres if you want to deceive the other side and not let them know what you are doing, you set up a smoke screen. Tonight we have seen the masters of setting up smoke screens in regard to public affairs. We saw it first of all in the speech of the hon. member for Regina West (Mr. Benjamin) who had a lot to say. He told us that he would gladly have gone home a week ago had this party not held Parliament here. Mr. Speaker, few members of that party have been in the House during this entire week. The financial critic has not been here nor has the energy critic, yet the hon. member talked as if he wanted to stay here all the time. Today his party moved a motion to adjourn the House, using it as a smoke screen, pretending that they did not want to go home, when it is obvious that they have been trying to go home since last week.

This party voted against the motion because we are opposed to an adjournment. We did not want to waste this last day, neither do we want to adjourn now but it is being forced upon us.

Just a few moments ago the hon. member for Parkdale-High Park (Mr. Flis) also set up a smoke screen, pretending that everything is well but that this party had caused difficulties in committee. Mr. Speaker, we had people come from the province of Alberta to that committee. They spent a lot of money to come here and plead with the finance committee to give them a few more days so that they would not have to borrow money or at least would enable them to extend their bills for a few days. The chairman did not even mention that in his

report. Now we have the hypocrisy of hon. members saying that they want to stay on. They have the hypocrisy today to say that they want to stay. We would have been gone a whole week ago if this party under its leader had not insisted we stay. During that week we saw progress made. We saw a mediator appointed. Before that the government negotiator and the Post Office negotiator were not even speaking. They would not even get together. We had one at one end of the city and one at the other. Now we have a mediator and we hope that this matter will come to a settlement. People of Canada deserve to have their mail delivered.

● (2240)

Some hon. Members: Hear, hear!

Mr. Taylor: We are prepared to stay here longer if necessary. But now for the first time in the history of Canada the government brings in closure. Maybe we should not be surprised because this government is becoming more dictatorial all the time. As a matter of fact, why should we be surprised because this government has a dictator as a leader?

Let us look at some of the things which the Prime Minister (Mr. Trudeau) has been doing. He lays his hands on Jim Coutts and annoints him as the candidate for Spadina. He tells the people they have to have him as a candidate. Is that democracy?

Let us look at the difference in our party. Eight hundred to 1,000 people gathered and named a candidate in a democratic way. The leader of the Liberal Party would not fight against totalitarianism, communism or facism. He pretended that he was going to be a priest while his comrades fought overseas for his country. Many of them died overseas. He rode a motorcycle and had a gay old time while his comrades were fighting for Canada. The Canadian people should not forget that. We have a dictator for our leader. And the fact that the clones around him say "Yes, yes, and oui, oui" to everything he says does not reduce that dictatorial attitude one bit. They may set up a smokescreen.

Look at what happened with respect to the Constitution. Again we saw a dictatorial attitude and unilateral action. That was the very opposite to what this country has been used to. We have ten governments and two territories, but we have one man who says "I will do it. I will tell you what to do". What if the territories and the governments did not come to an agreement over a few years? That is not the point. We have a system of government in this country set up under the BNA Act with ten governments, and every government should have had a fair say on the Constitution.

I hope the Supreme Court will throw out the Constitution. But whatever the court says, even if the matter is legally right, it is morally wrong and it is contrary to everything we have ever had in this country. Again, that is a dictatorial attitude.

The Prime Minister would not even meet or talk with our premiers. But he goes to Cuba and talks to Castro. He wouldn't talk to our premiers or try to solve the problems of Canada. He is trying to solve the problems of the world. The country which is his responsibility is full of problems but he does not have time for those. He wants to help world government. He wants world government. He would like to be the dictator of the world. He talks about an international police force.

I do not believe in world government. I believe in the sovereignty of every nation. I will fight world government to the very last ditch. We do not want that in this country. We do not want anything to do with it. I say to hon. members over there that they can tell their Prime Minister that.

What about the gun control he brought in? Does he not want us to have any guns? There may be some reasons for that, but there is none to deny people the use of rifles and guns in this country.

The Prime Minister has a don't care attitude. Do hon. members over there realize that he will not sign certificates or golden wedding anniversaries any more? A couple in my constituency requested a certificate signed by the Prime Minister of Canada for their golden anniversary. What happened? A certificate was sent out without the Prime Minister's signature. The couple showed it to me. I told them that the Prime Minister was a busy man and perhaps it had slipped his mind. I asked them to give me the certificate to take to Ottawa. I sent the certificate over to his office. The Prime Minister's staff sent it back and told me that he did not have the time to sign these certificates any more.

What a difference there is between our leader and the dictator on the other side. Our leader tells us that he will send all messages for the member to deliver. I asked for a letter from the Prime Minister the other day for a couple who wanted a letter of congratulations for their golden anniversary. His secretary told me that that could not be done. We gave the Prime Minister a month's notice, but we were told it takes three months to have one of these letters made up and then certificates are sent without signatures. The Prime Minister does not care. That is his attitude. That is not the attitude of our leader. Our leader is trying to reflect the thinking of our people. I am glad to be a supporter of the leader of this party. I am not ashamed of that. I am proud of that.

The hon. member for Parkdale-High Park said that we wasted three hours today. That is again a Liberal smokescreen. However, what he said was partly true. We did waste three hours. But the other part of what he said is not true at all. We could have been studying bills. The government did not have any bills to study, not one. We did not want to waste time either. We want to stay here until the business is done.

Our inflation is the highest since 1948 at 12.8 per cent. Hon. members over there wonder why. But the very way this government is tackling inflation is causing inflation. The first component is the 20 per cent interest rate. The stores have to add 20 per cent on to the cost of their goods and people have to pay 20 per cent more. That is inflation. Everyone wonders why inflation keeps going up and up. Hon. members over there wonder why we are not telling them what to do. But we have told them what to do a dozen times. If they resigned, that would help. We have also told the government to get the small

industries working, the small businessmen and the farmers. More production would beat inflation. We have told the government that. Raising interest rates up and up will not beat inflation. What we have to do is to get the hundreds and thousands of entrepreneurs producing in the country. We have to increase our net worth. If all these things are done, we will see inflation go down. This government wonders why we have more and more inflation, but the very things this government does produces inflation. The government asks why our businesses go bankrupt. Businesses are going bankrupt because of high interest rates and the policies this government follows.

This government talks about energy. The province of Alberta has no reason to be in this mess with energy. We have no hope of being self-sustaining by 1990 now. That opportunity has passed. The Premier of Alberta offered the Prime Minister of Canada on July 25 last year a deal that would have given us a good program in Canada. The government talks about sharing. We were prepared to share under the offer made by Premier Lougheed to Prime Minister Trudeau. The Prime Minister turned down that offer. That offer would have provided $24,000 to the rest of Canada from every Albertan. That amounted to more than $48 billion, but Trudeau turned it down.

An hon. Member: Order, please.

Mr. Taylor: It would have provided a pipeline—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member should refer to the Right Hon. Prime Minister.

Mr. Taylor: Okay, the Right Hon. Prime Minister. But he turned it down. We would have had the Q and M Pipeline underway by this time. We would have had $2 billion for western transportation. But the Right Hon. Prime Minister turned the offer down. He did not want to accept it. That would not be in line with his plan for disunity in this country. He wants disunity in Canada, and that is the way he is doing it.

• (2250)

What about the cost of living today which is going up and up and up? Heating oil is up 52 per cent more than it was a year ago. Gas is up 42.7 per cent and fresh vegetables up 37.6 per cent over a year ago. The cost of living is going higher. Every time we talk about the poverty of many of our people, all we hear is what the government did a year ago when it increased the amount for senior citizens. Sure it did, but what has it done lately? Does it expect the old age pensioners to live with that increase forever? The members here could not live on what they were getting. Let us show these people the same consideration we showed ourselves.

Then there was the smokescreen of the cartel. I listened with interest today to the hon. member for Lincoln (Mr. Mackasey). He said that Senator Austin is innocent. I hope he is. If so, why not produce the documents? What is the government afraid of? Clear him of suspicion. What is there to hide? Why not let the documents come out? That is what those on this side are asking for. Come clean if you have nothing to hide.

I have been trying to ask a question in this House for a few days. Last Monday there was a sign on the entrance gates to Banff National Park which read "20 per cent interest on American money". That is more than the banks are paying. I was told the people there had never seen so many American $100 bills. I can understand that we need hard currency for the Third World countries, but the United States does not happen to be a Third World country.

Why is the government being so generous with the taxpayers' money. It pays higher interest than the banks. There is not another business in Banff that pays more than 18 per cent, and certainly not more than 19 per cent. The banks were paying 19 per cent. However, the government of Canada is paying 20 per cent, using the taxpayers' money.

We have a $14 billion deficit and an $80 billion debt. Nothing is being done to help small businesses. Sure the small business development bond was brought in, but those who need it most cannot get it. You have to be incorporated in order to get the bond. The government will not let them use it on their inventory. They deny that use. Then the government uses that bond as an example of what it is doing to help small business. All it is doing is helping to send small business into bankruptcy. Just look at the number of businesses going bankrupt.

The government talks about its energy policy and the uranium cartel. This afternoon the minister of mines said it had saved a lot of jobs in her city. The coalminers in my town have had to go without government help. They lost their jobs when coal was no longer competitive. They have watched the Ontario government bring in coal from the United States, something it is still doing.

What about the acid rain problem? We bring in high sulphur coal from the United States when in this country we have coal that is almost acid free. Why not reduce acid rain and at the same time create jobs for our coalminers?

There is tremendous potential in this country. This is a wonderful country stretching from the Atlantic to the Pacific, from the 49th parallel to the Arctic. However, we need policies that will encourage development and investment. Stop sending all the oil rigs to the United States. Stop cutting off the desire to invest in this country. Remove the energy policy which is causing so much hardship. The energy minister said the National Energy Program is needed to advance Canada's economy. Look at the results. What good has it been? We are paying a lot more for our gas.

We bought Petrofina. Petro-Canada does not act like a private corporation. Why did it not buy Petrofina and charge it to its profits? No. The price at the pumps was increased in order to pay for Petrofina. What good is it to the people of western Canada? No good at all. What good is it to the people of eastern Canada? No good at all. Why not put that money toward producing more oil and thus reaching toward self-sufficiency?

An export tax was added. We talked until we were blue in the face about what this was doing to production. It made no difference to this government. It just does not care.

The government would not consider our amendment to the excise tax bill. The government thought up this tax and it is going to get its pound of flesh, even if it destroys life in this country. The government says how well it manages this country. All it does is to spend money.

An hon. Member: Like a drunken sailor.

Mr. Taylor: A drunken sailor spends his own money but this government spends the people's money and is not giving value for it. When is it going to get our industries working? There is a lot of potential in this country. There would be co-operation if the government brought in a bill to develop this potential. I was in the legislature for almost 40 years. Never once in that time was closure brought in.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. W. Bennett Campbell (Cardigan): Mr. Speaker, this being the first occasion that I have had an opportunity to address this House, I want to say that it is indeed an honour and a privilege for me to serve the people of Cardigan in this House.

Some hon. Members: Hear, hear!

Mr. Campbell (Cardigan): Before I address the subject at hand, I want to pay tribute to a great Islander who preceded me as Cardigan's representative in the House of Commons. All of us who counted Dan MacDonald as a friend considered ourselves richer for having known him. There are many in this chamber and on Parliament Hill who share that experience and understand the special place that he had in the hearts of Islanders.

Some hon. Members: Hear, hear!

Mr. Campbell (Cardigan): It was impossible to spend five minutes with Dan MacDonald without feeling that your life was touched in a rather unique way. He will always be remembered as an example of a high degree of courage and devotion. We will remember him for his sense of humour and his genuine concern for others, especially those with disabilities or those who were victims of misfortune. He will also be remembered for never believing he himself was handicapped.

• (2300)

Some hon. Members: Hear, hear!

Mr. Campbell (Cardigan): I am very honoured to represent Cardigan, and I will certainly endeavour to uphold the example of excellence set by Dan MacDonald during his years in this House.

My remarks will be influenced to some extent by the fact that I recently fought a byelection during what was the most intense period of the constitutional debate. Conventional wisdom would suggest that the electorate would use byelections to show its displeasure with the party in power. Indeed, in all three of the recent campaigns the opposition used the slogan "Send Trudeau a message". They did!

Some hon. Members: Hear, hear!

Mr. Campbell (Cardigan): That message was loud and clear. In all three cases, in three out of three byelections, victories in different parts of the country demonstrated the frailty of the opposition arguments.

During the byelection a number of major issues arose which related directly or indirectly to matters before this House. The people of Cardigan—indeed, the people of Prince Edward Island—were concerned about economic conditions which affect their daily lives. They were concerned about paying the highest energy costs in the country. They were concerned about the major effects these costs would have on production and marketing. They were concerned about their electrical and home heating costs as a result of changes in oil prices, which affect each and every one of us.

In addition, there was a critical need in Prince Edward Island for a greater degree of economic growth to make our province more productive and more self-reliant, and to provide more employment and investment opportunities for its people. Over and over again the need for more jobs was raised during the recent byelection campaign. The people of my constituency share the desire of all Islanders for secure and meaningful employment in their own province, and surely that must be an objective for this nation of ours in order that we can ensure that economic opportunities are realized in all parts of the country to make each of them better places in which to live and work.

I was a member of the government of Prince Edward Island during most of the 1970s. We were committed to achieving a higher standard of living through the development of our resources and other opportunities for economic growth. We entered into various cost-sharing agreements with the federal government which related directly to our social and economic objectives.

The inability at the moment of our present provincial government to maintain a harmonious relationship with Ottawa indicates an unwillingness on its part to co-operate. In my opinion, the government of P.E.I. does nothing to enhance employment opportunities in my province. It is becoming increasingly obvious that the government of my province has reneged on its responsibility for job creation and has left this void to be filled through federal initiatives.

In fact I sat in the gallery in the legislature during the last provincial session to hear the minister of labour of our province say he had no direct obligation, or his government had no direct obligation, for job creation in P.E.I.

Some hon. Members: Shame!

Mr. Campbell (Cardigan): The particular needs of P.E.I. are not met by each and every federal program, but collectively

they have been successful in meeting the needs not just of Islanders but of all Canadians. We are full partners in Confederation. As Canadians we want to realize our social and economic objectives, whether we are talking about energy, the need for job creation, the need to strengthen and develop our resources or the need to have our rights protected and the need for guarantees in that respect. We share those needs with other Canadians.

The people of my riding are resourceful people. We make our living on farms, in fishing boats, in tourist establishments, and in the small business enterprises which exist throughout my constituency. During the recent byelection campaign I made a commitment to the people of Cardigan, and I repeat that commitment here today. It is a commitment to represent their needs and interests as best I can, and to ensure that federal policies and programs recognize and respond to their needs and interests.

As a former provincial politician I would not be here today if I did not believe that there are opportunities to reflect our goals at the federal level as well as at the provincial level. The people of Cardigan, like the later member who represented them so well, recognize and meet their responsibilities as Canadians. My goal as a member of Parliament is to ensure that the people of my constituency are provided opportunities, not through charity or the largesse of a remote federal government but by a government in which they are full participants.

Since becoming a member of this House, and as a former legislator in the provincial legislature for a few years, I have always been an admirer of the parliamentary system and particularly an admirer of what I call the Mother of Parliaments in Canada, the House of Commons. In the short time since my becoming a member of this House I have followed attentively the performance and the actions in the House of more senior and experienced members on both sides in the hope that I might use some of them as models, learn by the mistakes of others and, in essence, do the best job possible on behalf of the constituents I represent. However, over the past month there have been events in this House which have left me wondering somewhat about the parliamentary process. Just a couple of weeks ago there seemed to be a very clear indication that this House would adjourn on or about July 10.

Mr. Baker (Nepean-Carleton): My God, you just got here.

Mr. Campbell (Cardigan): Yes, I realize that, but that is not my fault. We arrived at the date of Friday, July 10, only to be advised by the Leader of the Opposition (Mr. Clark) that the House would not be allowed to adjourn until the mail was travelling again. I wondered why the Leader of the Opposition took that position. Since that time I have found out that he was pressured into that position by some of his backbench members.

Some hon. Members: Shame!

Mr. Campbell (Cardigan): As a result the Leader of the Opposition took the position that this House should not adjourn until the issue of the mail service in our country was resolved, as if to suggest to members of the House and to all Canadians that to adjourn the House would in some way seriously impair the ability of the Government of Canada and this House to address the issue if it was not resolved through regular means.

● (2310)

I have the greatest respect for the hon. Leader of the Opposition, but I am sure a man of his experience knows the difference between the word "adjourn" and the word "prorogue". He knows that if it is necessary to recall the House after adjournment it is a very simple matter, but he suggested that the House should continue in session until the mediator had an opportunity to attempt to bring the two parties together and to resolve the dispute by normal means. I can understand the Leader of the Opposition interpreting the word "adjourn" in a much longer time-frame than most hon. members. One need only return to 1979 when the same Leader of the Opposition was elected Prime Minister of the country in May, and took almost five months to call the House into session on October 9. That is an indication of his interpretation of the word "adjourn".

In the meantime, I sat back and listened to the debate of the last week and a half. I sympathized with the Leader of the Opposition for the impossible situation in which his members placed him. The hon. member who spoke prior to myself talked about a smokescreen. I suggest to him that the smokescreen is not on this side; it is over there.

After being pressed into a position of initiating a filibuster on the postal strike, the Leader of the Opposition found himself with his knees kicked out from under him, so to speak, because progress was made with the appointment of a mediator. Then he was forced to find another issue to delay the House. Thus came the great cover up, or what has been discussed over the last week as the uranium cartel! As time proceeded, the motion to adjourn was placed before the House for debate. The motion was put a few days ago. The Leader of the Opposition found himself completely boxed in, because he had made a commitment to Canadians to keep the House going until the postal issue was settled. He knew full well that Canadians understood that a motion to adjourn would merely close the House until such time as it was necessary to recall Parliament to take whatever action necesary for the matter to be resolved.

I followed the debate very closely, but this morning I was completely baffled because the Leader of the Opposition, who all this week indicated opposition to the motion to adjourn, suddenly found himself with the majority of his members interested in going home. Thus, he had to find an out.

When the hon. member for Winnipeg North Centre (Mr. Knowles) introduced a motion to adjourn this morning, the Leader of the Opposition and the members of his party, if they were really interested in coming back next week, would have stood up and supported it. All members knew that the motion of the hon. member for Winnipeg North Centre was that the House should adjourn today and come back on Monday. If

they did not want to associate with that motion, they could have very easily stayed out of the House until four o'clock, at which time the Speaker would have called private members' hour and the matter would not have gone to a vote.

Instead, the Leader of the Opposition and his members voted against the motion to adjourn, knowing that they would have their out and they would be able to tell Canadians that their right to speak was choked off by a closure motion introduced by the government. Thus they were able to save their leader and to have their justification, but I say to hon. members opposite that in history and in due course the people of Canada will judge their actions of the last week.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I take this opportunity to congratulate the hon. member for Cardigan (Mr. Campbell) on having delivered his maiden speech. I say to him that I understand why he dwelt so frequently on the term "Leader of the Opposition". Knowing him as I have from a previous political incarnation when he had many trials and tribulations in this particular position in Prince Edward Island, I would tell him that it has been my privilege and honour to have known all the members who have represented Cardigan since 1957. I know he will try to emulate the very high standard they have set, each and every one of them, over the years since 1957.

We are engaged in the final moments of a closure debate. There are a great many issues that those of us who have an opportunity to speak in the dying moments of this debate want to bring forward. I want to deal particularly with the latest news today which Canadians have had thrown to them in a dramatic fashion with regard to the cost of living. It is the highest cost of living the country has known since 1948. For anyone on the other side who doubts what those headlines mean, they mean trauma, suffering, and hardship for hundreds of thousands of Canadians across the country. This is what the headlines mean.

Last December 18, just as the House was to adjourn for the Christmas recess, Madam Speaker granted the right to hold an emergency debate in the chamber. What was the emergency at that time? I might recall to the House the words of Madam Speaker on that occasion. As reported at page 5888 of *Hansard* she said:

> In this case both hon. members have drawn my attention to the juxtaposition of circumstances of rising interest rates, the rising cost of living index, the rising rate of inflation, and the decline in the dollar.
>
> The hon. member for Oshawa pointed out, moreover, that because of the Christmas adjournment there will be no opportunity to debate any of these matters for a period of three weeks.

On that occasion in that debate member after member stressed the need for the government to respond to what was termed a very serious economic crisis. Central to the critical economic situation which existed at the time was the fact that the cost of living had risen 11.2 per cent, the highest level then since 1975, while interest rates stood at 17.36 per cent. Because the House would not be in session for a three-week period, Madam Speaker felt that it was enough of an emergency to grant an extraordinary debate. Members felt there was enough of an emergency to demand immediate government action to ease the hardships which people were feeling from one coast to another. Mr. Speaker, compare the situation of last December 18 with what confronts Canadians today. If what we had in December was an emergency or crisis, then what exists today is nothing short of an economic disaster.

• (2320)

Some hon. Members: Hear, hear!

Miss MacDonald: Yesterday the Bank of Canada interest rates were reported at 19.04 per cent, and today the increase in the cost of living index reached 12.8 per cent, the highest year over year rate since 1948. Last December's figures, which were considerably below those of today, triggered an emergency debate because the House would be recessed for three weeks. Today the Liberal government has moved to cut off debate and shut down Parliament for the next three months. It does that in the face of the figures with which we were presented yesterday and today. It has used the ultimate weapon of closure at a time when Canadians from coast to coast are asking for some measure of relief from the hardships which the government's ill-fated and ill-considered policies have induced. Obviously the government would much rather not hear about the difficulties which Canadians are facing.

No doubt cabinet ministers suffer from the delusion that if only they can get rid of members of Parliament and avoid their bothersome questions, if only they are not reminded that their policies are not working, then somehow all the country's problems would go away. Things just do not work that way, Mr. Speaker. The problems remain and, what is worse, they are becoming more deeply imbedded and ingrained in the country's economic psyche with every passing day. Shutting down Parliament will not resolve anything. The axe of closure is not able to chop away at the high cost of living.

I sometimes wonder, as I listen in frustration to the responses to questions which cabinet ministers provide, if they have any sense or any idea of how bad things are for a number of Canadians—not everyone, to be sure. I do not place everyone in that bracket. But for people who live on fixed incomes, or for those who are striving to break even—the working poor—the situation gets more desperate day by day. Therefore, I must ask, do not government members, Liberal backbenchers, ever hear from any of these people? Is that the reason they can ignore them? Indeed, is that the reason they can close up shop here in Ottawa and go home without responding to any of their problems? Earlier this evening the hon. member for Parkdale-High Park (Mr. Flis) had the effrontery to complain that he was being held hostage here because people were trying to deal with the problems of Canadians.

If government members do not hear from their constituents about the high cost of living and high interest rates, I do. I not only hear from my own constituents about what a mess the government is making of the economy, but I hear from people living in constituencies elsewhere in the country. I wish to read

a couple of letters into the record which I received recently from constituents in the riding of the Minister of Finance (Mr. MacEachen)—while the mails were still operating. The first one says:

I wrote to the Prime Minister, the Deputy Prime Minister . . . and to the head of Canada Mortgage and Housing in Halifax with no answer from any of them, so I decided to write to you.

Mr. Clark: And they didn't even answer?

Miss MacDonald: No, they did not even answer.

My mortgage has gone up from $183 to $408, a month. I am the mother of eight children, five children in junior and high school, two in vocational school and one at home. My grocery order a week is $160. My oil is $135 every four weeks, house payments $408, not counting gas, lights, water, car payment and other bills. We are finding it very hard to make ends meet. We only signed our mortgage renewal for only one year and when it comes up we will be looking at another big jump. We signed the mortgage renewal with no other choice. We signed or be put out on the street with no concern for the children. Where can you find a place to rent for ten people? My husband's take-home pay is $230-$240 per week after taxes. It does not leave much for clothes for the children after everything is paid. I don't know what the government expects of miners. Everything is going up but the take-home pay . . . The going is rough with eight children and I know they are going without to make the house payment.

That letter comes from a Mrs. Campbell who lives in the riding of the Minister of Finance.

I have another letter in front of me from someone else in the minister's riding. It says:

I have written to so many people in government concerning my financial problems that I am fed up with them all . . . and no one can lift a hand to change matters, I end up with the same old answers. They try to run our country but they couldn't run a dog show.

Some hon. Members: Hear, hear!

Miss MacDonald: The letter goes on:

I am a widow woman with four children to try and look after on a pension of $480 per month social assistance. I am nearly crazy trying to make ends meet. I have a 20-year-old son who has tried everywhere for work but can't find a job. I have a daughter 18 who is graduating in June and she has gone everywhere she can think of for a job and she ends up baby-sitting for $45 a week. Then my 14-year-old son is trying to get any small jobs, mowing lawns or cleaning yards or whatever he gets in the way of an odd job. My little girl, 11, is here with no shoes for her feet and I just cannot afford to get her any . . .

Four years ago we were getting $425 a month and I could buy a 3-lb jar of peanut butter for $1.89. Now I get $480 a month and the same jar of peanut butter is $5.30 and that's no lie. My fuel bill four years ago was around $40 a month, now its over $100. A family of five should have at least $100 a week for food alone, not to mention your fuel, lights, clothes, bills and other necessities . . .

Its not living when you are worried every minute where your next meal is coming from.

That letter was from Mrs. MacMullen from the minister's riding. The letters I have referred to, Mr. Speaker, reached me in June while we still had postal service. Their writers, who voiced despair at the situation a month ago, now must contend with the highest increase in the cost of living in our peacetime history. What can you say to a mother with a number of children when you know she cannot afford the increase in the cost of milk, fresh fruit and vegetables for her children? These people do not write letters to members of Parliament because they are looking for penpals. They write because they are hoping and praying that someone will listen to their cries of distress. It is no good for the Minister of National Health and Welfare (Miss Bégin) to shake her head at me—these are the kinds of things people write about.

Cabinet ministers have not listened through these last long months. They are confronted with this situation again and again, and still they do not listen. They have sat in their seats in stony silence, or they have risen to their feet to intone that Canadians have never had it so good. Small comfort, that, to a woman with a family of young children for whom she must provide.

● (2330)

If cabinet ministers have not listened to the pleas of the less fortunate while the House has been in session, if they have not listened in this last number of months, who will force them to listen to anything in the next three months when we are not here? They relish the chance to get rid of the opposition confronting them with their shortcomings. They do not like to be confronted with these shortcomings, and they jump at every opportunity to get rid of them. However, during this debate today one does not hear from any of the Liberal backbenchers getting up on their feet to demand, from their Liberal cabinet ministers, some countermeasure to the high cost of living about which we have heard today. We have not heard a single word from any Liberal backbencher about it. Instead, like the cabinet, they have ceased to listen, and that is the trouble.

In the past year the government has made a mess of constitutional reform, it has made a mess of the economy, and it has made a mess of the Post Office. I just want to plead with the government: for God's sake, please do not touch anything else, because your incompetence is ruining the country.

Some hon. Members: Hear, hear!

Miss MacDonald: I say to Your Honour that the Prime Minister (Mr. Trudeau) has a great opportunity in these next few days. He has an opportunity to listen and to learn from the leaders of other industrialized countries. He might ask them how they are handling inflation, how they are handling the cost of living in their countries, and what their record has been over the past year. This is what he would hear from them. He would hear that in Italy the cost of living has gone down from a year ago, when it was 20.8 per cent, to 20.6 per cent. In France it has gone down from 13.7 per cent to 12.7 per cent. In Britain it has gone down from 21.9 per cent to 11.7 per cent. In the United States it has gone down from 14.4 per cent to 9.8 per cent. In West Germany it has gone down from 6 per cent to 5.6 per cent. In Japan it has gone down from 8.2 per cent to 5.4 per cent. In Canada it has gone up from 9.4 per cent to 12.8 per cent.

Some hon. Members: Shame! Shame!

Miss MacDonald: That is what the Prime Minister has to bring to the economic Summit. Canada is the only country at the economic Summit to show an increase in the cost of living over the past year. All the other countries have reversed the trend. The Minister of Finance and his Minister of State for

Finance (Mr. Bussières) lay great emphasis on the gradualist approach that they are adopting, on the gradual way in which they are attacking the country's economy. The only result they are having is to make the economy and times in Canada gradually worse and worse for more and more people of this country. It is worse now than it was in May, when the minister reluctantly forecast an appreciable drop in the over-all inflation rate; and it was worse in May than it was in February, when the Minister of Finance sat there and smiled or smirked about the questions which were put to him. My fear, given the record of this government, given its inertia, given its lack of political will, given its lacklustre performance, is that during the next three months, when the House will no longer be in session, the cost of living will soar beyond the wildest estimates.

This is a very difficult time for a good many people in this country; 1981 has not been kind to them. Some are out of jobs because of the government's fiasco of an energy policy. It is driving people out of business, and business out of oil rigs, and out of the energy future of this country, and some people are out of jobs because of the bungling of the government's handling of the Post Office situation. Small business after small business, collection firms and magazine outlets, are having to close because of the government's bungling of the negotiations. Some people are out of their homes because of the runaway mortgage rates in the country. They look to government to provide leadership through difficult times, and the government hits them with a double whammy of a record high cost of living rate and record high interest rates. Is it any wonder that Canadians are becoming fractious, cynical, and angry? Government policies are not only adversely affecting their livelihood, but they are also sapping the strength, the vitality, the energy and the spirit of Canadians. The country deserves better than this. Certainly, it deserves a better government than this.

Some hon. Members: Hear, hear!

Miss MacDonald: I mentioned that Canadians were getting cynical. Is it any wonder that they are getting cynical when they remember what the Liberal party promised in response to a *Financial Post* questionnaire on February 16, 1980? The Liberal party said this about the cost of living and inflation:

> Inflation is the key problem. If it can be reduced, the problem of high interest rates will be lessened. To deal with inflation, we must deal with expectations. While the Liberal party remains committed to gradual reduction in the growth of money supply and government expenditure restraint, more important, it will not contribute to a buildup in expectations through inflationary tax hikes or excessive oil price increases.

That, from the party that 13 times, since it has come to office, has increased energy prices in this country! That is what it has done. Is it any wonder that Canadians are cynical about things which are said to them before an election, and then the opposite is done by a government in power after the election? I suppose that it would be too much to expect any cabinet minister to have entered this closure debate today with some positive suggestions as to how our cost of living could go down for a change instead of always going up; but surely it is not too much to ask, to demand that, when this threadbare bankrupt government meets the House again this autumn, it do so with a budget designed to stimulate the Canadian economy rather than suck from it the last vestige of vigour and strength that it possesses.

Some hon. Members: Hear, hear!

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, during this adjournment debate it seems it is not only desirable for us, but probably our duty, to carry out an assessment of the past, to identify our problems and to seek solutions, so that we can learn not only from our successes but also from our mistakes, and also try to improve the future. It seems to me to be a tragic but indelible part of our political mythology to act as if our own party never makes a mistake and that the other party can do no good. It seems to me that if that is our approach, one can never learn or grow, nor, for that matter, can one gain the trust of others with such an obviously simplistic point of view.

Some of my constituents have said to me that when they see me on television, either speaking or seated in the House, that I look serious and sombre. I look serious and sombre. They wonder why that is the case. Perhaps it is because that is the way I look but I think it is mainly because that is the way I feel.

• (2340)

Each of us when we ran for Parliament had our own hopes. When we ran for Parliament we had our own expectations for our work as an MP and also for what we hoped to find in the House of Commons. Certainly I can say I had hoped there would be more room and scope for dialogue and much less confrontation. I hoped we would be evolving from the sterile systems of the past that played up to extremism, extreme statements and scapegoating, and that instead we would be moving forward with the introduction of television, because people would be watching us, to a system that would be more sincere, more adaptable, productive and useful, as we move toward the twenty-first century.

But no, Mr. Speaker; our ears are daily assaulted with loud accusations or venomous attacks directed against hon. members. If not that, then insinuations of guilt by association such as, unfortunately, we have endured for the last several days in remarks directed against Senator Austin and people who cannot defend themselves because they are not here but in another place.

There have been attacks against civil servants who are not here and cannot defend themselves. It is an irony that Parliament should hold people guilty until they are proved innocent.

This is hardly the place then, to come for reasoned or logical argument. There is very little genuine communication taking place here in this chamber.

As we look back over the session so far, each of us may have his or her own personal opinions about it. Old timers may compare it with former sessions and rate this session, on the

basis of their broad perspective, as being either better or worse in this area or that area than previous sessions.

Newcomers, some of us who have been here for only a few sessions, may be less objective and more impatient. Perhaps we are comparing it, not with what has been but with what it could be or should be. Each member, then, has his or her own personal value system by which he or she assesses what Parliament should be. What I am about to say, then, is certainly a personal reaction as I keep in mind the constituents whom I try to represent. I do not pretend they are the views of other members or of the government or of my Liberal party.

My assessment of what has happened in this session so far to date is that we have worked very hard and very long; that we have met a host of very urgent and pressing problems; and that the government has launched on a courageous effort to deal with many major and long-range issues. I also observe that the existing parliamentary process suffers from many outmoded, antiquated procedures that were meant for a totally different era and situation, and that this system of schedules and rules and attitudes is becoming less and less capable of dealing with matters of state in the 1980s.

To put it gently, our present parliamentary system engenders hostility, invites abuse and misuse, and in the eyes of the public is increasingly earning disappointment, if not cynicism.

Perhaps those who have worked with the system for a long time or have learned how to manipulate its rules may derive ample satisfaction. Perhaps they know how to use the system, but in the view of many in the public who watch television I am afraid I hear that business is not done here, it is blocked here. We remember the scenes from the constitutional debate. We recall the extent to which members would go to try to inhibit debate or progress in the affairs of this Parliament.

I said that in this session we had successfully addressed ourselves to many fundamental issues. We have hardly been toying with superficial matters or tinkering or fine tuning. To the discomfort of many, we have bitten the bullet and come to grips with such issues as the Constitution, the Charter of Rights and Freedoms and all that that entails. We have had a budget debate. We have insisted on the right of Canadians to claim their fair share and control of their own natural resources, oil and gas. We have seen the development of a national energy policy that embraces all phases of the energy issue, including exploration, diversification, energy alternatives and conservation, for decades to come. This Parliament has sought to adjust our economy to changing market conditions, including priority on research and development. We have undertaken risks to address global issues that impinge upon us as threats to our survival and that of billions of other people, whether they include environmental pollution, demographic explosion, the suffering of millions of refugees, the horrors of violence and terrorism, or the entire story summed up by the words "North-South relations".

Yes, this Parliament has tackled a very large package of issues in a fast moving world that will not wait. Whether or not one is satisfied with what the federal government is doing in each or any of these areas is another question. Indeed, it is the task of the opposition and the media and every one of us to analyse and criticize, and if we can to suggest profound, alternate solutions.

Personally, I have not been stimulated by the opposition, which from where I sit seems to have been more preoccupied with fishing expeditions to find scandals, and to scramble to get "onside", with public opinion polls, than it has been to generate rationally the challenges and the debate that these enormously complex issues that I have mentioned deserve.

But whether the government or the opposition has done well or poorly is obviously a matter of opinion. I have expressed mine; to that I am entitled. But my point and major concern here is not to play that game. Rather, it is that our parliamentary system has not lived up to our present day needs. If we do not pay attention to this we are inviting disillusionment in our political system, and nothing could be more tragic.

Like children, nations, parties and politicians play games. But the games we play are games with our own future. Sometimes they are games of bluff, of posturing and pretence. They are dangerous games. Today we need to move away from political games and move toward political management. We need to move toward communication, toward reason, co-opertion and, above all, toward dialogue. If we do not take the steps to reform our system, we will lose out to the extremists and the violent who will offer quick answers to those who are becoming impatient with our ponderous and obsolete game playing.

The reforms of which I speak are really not my ideas; these reforms of Parliament are not new ideas. They come from the opposition, they come from the New Democratic Party, they come from our benches, they come from committees that have met year after year. For some reason, however, we have not taken the step to bring about parliamentary reform.

Perhaps we need to challenge those guardians of the past who cling to a system which has long passed us by. When we ask what the suggestions are that have been made on all sides of the House to reform this Parliament and make it more effective, what we have heard over and over again is, let us work for ways to increase participation and involvement; let us encourage the excellent experiments of all-party task forces which have just begun; let us try to be more effective and better organized in our parliamentary committee; let us give more members an opportunity for debate; let us adjust the rules; let us consider more free votes in the House and fewer motions of confidence; let us question the archaic system of bells and surprise votes. In short, let us treat one another with greater respect, as adults, with a schedule which will permit sound management and organization.

Mr. McDermid: Tell that one to your leader.

Mr. de Corneille: I suggest that these are things on which all parties can work and which would find all-party agreement. Perhaps some of the venom and the vitriolic accusations we have heard in the past week would not be made and would not be obstructing our parliamentary procedure.

My second area of concern is that we are not making the urgent and necessary efforts needed to avert the same disaster of confrontation and violence in this country that is raging like a conflagration in the rest of the world. I do not think we take enough pride and satisfaction that we have thus far avoided violence, assassinations, bloodshed and political extremism which have poisoned all the other nations of the world, including France, Britain and the United States.

● (2350)

Mr. Deputy Speaker: Order, please. The hon. member for Eglinton-Lawrence has the floor.

Mr. de Corneille: What makes us think that we can so easily escape the ravages of frustration, racism and moral decay that is consuming other western nations whose positions of democracy are older and more established than our own?

Miss Bégin: Mr. Speaker, I rise on a point of order. I am hesitant to rise because I have never experienced anything like this in the almost nine years I have been in Parliament. Maybe it is because I am a woman and the first to sit in this House from the province of Quebec. Not only am I a French Canadian but I am an immigrant to this country, and I resent all forms of discrimination. I do not particularly like the joke which the Tories are playing on our colleague right now. Whatever status or job in life—

An hon. Member: Order.

Miss Bégin: —of someone, one is not supposed to play tricks like that, and I consider it an attack on a member's privilege.

An hon. Member: Talk to your own caucus; they were having just as much fun.

Mr. Deputy Speaker: Order, please.

An hon. Member: Everyone was laughing.

Mr. McDermid: You are laughing as hard as anyone, Mr. Bockstael.

Mr. Deputy Speaker: Order, please. I am sure all hon. members are conscious of the need to maintain the dignity of the chamber. The hon. member for Eglington-Lawrence has the floor.

Mr. de Corneille: One could hardly find a better illustration of the point I was talking about than what has just transpired on the other side. I hardly think it befits the dignity of the whip of the opposition party to pass around a plate as if for a collection, which is a mocking of the church or a mocking of the Christian faith. I do not find that amusing. I do not think it should be amusing to members in this House. I do not mind something that is a good joke, I think I can take that; but I think it is particularly out of taste when I was talking about the tragic need for dignity and solemnity in this House of Commons.

I was trying to point out how grave is the need for the people who watch us on television to have respect for this House of Commons. When members continue to make a mockery of it, it cannot elicit in the people who watch us a sense of confidence in our political system.

As I was saying, we should realize that our House of Commons is in great peril.

An hon. Member: Why?

Mr. de Corneille: It is in peril when members mock it, deride it and do not have sufficient respect that they can give their ears to their hon. colleagues.

What are we here for if that is the behaviour we show?

An hon. Member: Closure. That is what.

Mr. de Corneille: I am sorry if that is how it behooves members of the opposition. They do not mock me. They are mocking themselves and Parliament.

Mr. McDermid: Look who is mocking Parliament.

An hon. Member: You are closing Parliament so you can go on holidays.

Mr. de Corneille: We should be proud of this country and of the peace and tranquility we have. We should not mock it. How dare we mock the system. How dare we drag it into the dust.

Tragically, in this country we have seen altogether too many politicians fanning the flames of separatism and regionalism, stonewalling instead of talking and negotiating.

Mr. McDermid: Stonewalling. Look who is talking about that. That is the pot calling the kettle black.

Mr. de Corneille: In the 1950s I worked on programs to bring about dialogue between people of different churches. In the 1960s I worked on programs to bring about dialogue between Christians and Jews. In the 1970s I worked to try to bring about dialogue between Canadians of different cultures. In 1969 I went to the Harrison Hot Springs conference to discuss ways to apply the principles of dialogue to our national scene, to seek participatory democracy to reduce confrontation. I ran for Parliament ten years later to pursue those same goals, to look for unity and to find ways to bring people at least into dialogue, if not agreement.

I am trying to challenge all members of this House. I implore members of the opposition to hear what I am saying. We should try to seek dialogue, to seek to talk together and to listen to one another. People ask me why I look so serious. They may ask me when I will stop looking so serious on television. That will be when we stop playing the game of politics and engage in political science; when we stop the game of scoring points and conduct the affairs of state; and when we sit across the table as well as across the aisle.

I am proud of what we have been able to do this session. But I suggest it is long overdue for this Parliament and our system

to be made more dialogical so that we can better represent and better serve our people. I hope that parliamentary reform will be at the top of the list of all parties in the fall and, of equal importance, that we give priority to bringing about more dialogue and less confrontation.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I welcome the opportunity to join in this adjournment debate—

Mr. Prud'homme: Mr. Speaker, with the indulgence of my colleague who is speaking, may I ask his permission to put a question to the hon. member who has just finished speaking?

Mr. Deputy Speaker: The time of the hon. member for Eglinton-Lawrence (Mr. de Corneille) has expired. The hon. member for Hastings-Frontenac-Lennox-Addington (Mr. Vankoughnet) has been recognized.

Mr. Prud'homme: I will return to it later then, Mr. Speaker.

Mr. Vankoughnet: The all too frequent motion of closure is used with abandon by the government whenever it attempts to get its own way at the expense of Parliament and the Canadian people. The serious state of our economy which the government is disregarding is hard to understand when this country has so much potential.

I understand this is the first time in the history of the Commonwealth that closure has been used on an adjournment debate. It is just another milestone for the present government as it goes on its misguided way. We saw this same government use closure on the constitutional issue in an effort to ram its proposals through, and now we see it rear its head once more.

The government could use its majority in constructive ways to address positively the many problems facing Canada and Canadians today. Instead, it uses its majority to usurp the traditional functioning of Parliament by again bringing in a closure motion at a time when there are serious issues with which to deal. We have in Canada serious problems facing home owners, businessmen and the everyday citizen which the present government seems to ignore, such as inflation, high interest rates, unemployment and an ill-conceived energy policy. We hear of such issues as the uranium cartel which the government does not seem too anxious to discuss in a Parliament which represents the people of Canada.

• (0000)

I am sorry to say that many Canadians no longer look upon the Post Office with the same degree of admiration they once did. Rural mailmen, however, still deserve that past reputation for excellent service. These people do deserve an increase in the allowable limit for their contracts. When compared to the generous increases urban workers have received in the past, rural carriers deserve adequate compensation for a job well done. I hope that the government can address some of these problems and improve our mail service and ensure fewer interruptions in the future for this vital necessity.

Our country is at a turning point in its history. The issues facing us are complex and interrelated. They are accompanied by a deep sense of urgency and concern. I believe that we must confront them head on, but we must also approach them cautiously.

The most serious issue facing us is our economy. Our economic situation should be our main priority. The production of goods and services in Canada must grow, not continue to decline. The present government continues to accumulate a deficit, which is snowballing out of control.

Many people predict prolonged, double digit inflation. Against this background. Is it any wonder that businessmen and unemployed Canadians do not share the present government's one-sided concern towards the Constitution? This will not create more jobs or help those people fortunate enough to be employed cope with the ravages of runaway inflation. There is no question in my mind that the government has used the constitutional issue to divert attention from our dismal economic situation. Canada's economy has to get back on the rails, but this challenge seems to be met by the government railroading Canadians.

Serious problems must be met head on with serious solutions. Long-term problems require long-term plans and solutions, not self-serving hit and miss policies, as the present government sees fit to spread around.

The budget introduced last October is certainly no answer to Canada's serious economic problems. In fact, it does not even measure up to a serious attempt to deal head on, up front with problems faced by Canadians. Real problems demand real solutions, and the first step the government should take is to introduce a budget based on long-term financial planning. It must address the problem of the government debt and take concrete measures to bring this debt under control. It must deal with getting Canadians back to work and getting our industries working at capacity. It must wrestle inflation to the ground and keep it there. The budget must possess the intestinal fortitude to correct the problems facing Canadians today so that we can regain that high standard of living our ancestors worked so hard for us to enjoy.

This is the concept that Canada was built upon. Honesty, hard work, fairness; these are Canadian words reflecting some of the high standards that our heritage was built on and that our future will continue to be built on. We need policies that are honest and fair to work as a sound guiding force for all Canadians. We do not need a crafty, cagey load of doubletalk which is passed off as a budget but which in effect passes for no more than wind.

Canadians get more than a bad taste from this latest closure motion, uranium cartel, postal service, interest rates, National Energy Program, Constitution and much more. Canadians are facing difficult times. They need and deserve responsible and sincere leadership. They need a government which not only is in touch with all Canadians on the real issues facing Canadians, but one that will do something to correct what is wrong.

The great potential of Canada will only be realized if we regain control of our cost structure and become more productive. The result has been an increase in inflation, which is nothing more than a symptom of our demand versus supply dilemma. Inflation should be our main concern. We can reduce our inflation rate if we increase our productivity.

We have all seen how the present government uses its majority to try unilaterally to impose its ill-conceived policies on Canadians. We are seeing strong public reaction now to the government's energy package, its so-called budget, and the constitutional proposals. Why does this government not see fit to use its majority in a constructive way to address the very real and pressing problems of inflation and unemployment?

The Canadian public is not so easily fooled by this government's way of doing things. The present government has been avoiding the real issues for some time. The business community is one of the most important components in our economy. This is one of the first areas the government should look to to help. New innovative programs to help Canadian business grow and compete in Canada and worldwide are desperately needed.

Interest rates in this country are soaring higher than the government's ego, with the prime lending rate now over 19 per cent. It is hard enough these days in business, with all of the government bureaucracy to face, to have to cope with these crippling interest rates. Bankruptcies are at an alarming rate. Initiative is being stifled. People simply cannot afford to take the risk of borrowing money at such high cost. Empty stores and factories are more and more evident as the government's mismanagement is turning Canada's economy into a wasteland.

As each day passes while the government ignores the very real problems faced by Canadians, businesses are closing down and more Canadians are becoming unemployed. People with ideas, initiative and sound business sense are having a difficult time these days due to the state of our economy, caused largely by the lack of sound, long-term policies from this government. I feel that we must solve the very real problems facing Canada at home in order to reach our potential before we go looking for other causes to follow.

Farming is another important part of the Canadian economy. One out of every four Canadians works in a field related to the food and agriculture industry. A healthy and growing agricultural economy helps contribute to a healthy and growing Canadian economy. With record unemployment and inflation in Canada today, the economy needs all the help it can get.

The last budget put forward by the government virtually ignored agriculture. There was no mention of updating valuation day values and allowing rollovers of the sale of farm lands in a registered retirement savings plan. If farmers are not protected against the peculiar capital gains aspect of their industry, then the selling price of farm land could reflect these high potential capital gains and as a result the high start-up costs could be prohibitive to many who would otherwise enter farming.

What about those already in farming? They are affected as much as or more than anyone by the skyrocketing interest rates. Farming today is big time business. Machinery and land costs are very expensive as it is, but to try to pay for them with interest rates as they are going is not a pleasant thought. Canadians can see what is being done, or should I say what is not being done?

Exploration is slowing down in Canada. Drilling rigs are moving to the United States. The oil industry has a multiplier effect in our economy and when exploration and production slow down, industry looks elsewhere and the whole Canadian economy suffers. The longer the government takes to help the industry achieve self-sufficiency in Canada, the more foreign oil will have to be imported at huge cost to our economy. The government has already run up a huge national debt. Where are we going to get the money to pay for this expensive energy policy? More borrowing on international money markets will add to the amount of money Canada has to pay back.

• (0010)

Energy is a very important aspect of our economy these days. It affects our productivity, our inflation rate, our employment prospects and our real income. We must embark on a major program to increase our domestic supply of oil and alternate energy sources. Unfortunately, our plans to make Canada energy self-sufficient were stymied, at great cost to the energy future of our country.

We are now seeing the disastrous results of the government's energy policy. Canadians are seeing through the packaging of this misguided policy to the harsh reality beneath its surface. Why is it that we are more and more forced to look at what is lurking beneath the surface of government policy? It is because we can no longer trust the government to attack things out front.

Future generations of Canadians will bear the brunt of paying off the huge debt run up by the present government. The government has a responsibility to advocate policies which are in the best interests of Canada and Canadians.

We have a strong blend of heritage and much to be proud of and build for. Our ancestors built this country up with a strong foundation. They suffered hardships and challenges, but they persevered and overcame these various challenges. The present government does our heritage little justice as it turns a blind eye and a deaf ear to our present problems.

The present government does not deal in substance and foundation but, through its shortsighted policies, seems more bent on tearing down this country rather than preserving and building it for the future.

Most parents want to provide better lives for their children than they had for themselves. If a child requires a basic item such as a pair of shoes, they do not substitute a colouring book. The present government tries to give Canadians off-colour policies such as unilateral alterations to our Constitution, against the wishes of most of the provinces and the majority of Canadians, when what Canadians really want are jobs, relief from inflation and high interest rates and a sound energy

policy formulated by elected representatives who are free to express the views of their electorate without being silenced.

I feel that the present government is setting a dangerous precedent in its over-use of closure. It seems that every time the government gets embarrassed or frustrated over an issue, regardless of the importance of the issue to the country and the people, we see the increasing use of closure. This is unacceptable and an alarming abuse of Parliament.

We are here to represent Canadians, and the government should respect that fact. The government should also deal with the real concerns and issues facing Canadians in a direct and fair approach.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, as the House grinds finally to a close until the fall, I would like to take this opportunity to reflect on a few current issues. As we sit here in Ottawa even in the full bloom of summer, it is not too difficult to recite these issues. We all know them and perhaps see them a little differently. Some are distressing in varying degrees, vexing, troublesome and disturbing. Others, if we take the time and have the capacity to examine them objectively, do give us cause for some hope, even if not full-fledged rejoicing.

On balance, I think we can say that ours is a very favoured and fortunate nation, but is it not rather strange that it never seems very politic to remind our citizens that such is the case? I am not sure why. However, many people say it for themselves, especially those who have had the opportunity or the privilege to travel outside Canada. Upon returning from abroad they say, "It is good to be home; ours is a great country; we are a fortunate people." It seems as if they return to see life around them with fresh eyes.

Nevertheless, it is distressing to be in the midst of yet another postal strike. Small and medium-sized businesses are hurting, and they are hurting badly. These businesses are the economic life blood of this country and, with accounts receivable choked off and facing a serious cash flow problem, these small and medium-sized businesses are in serious trouble.

At current interest rates it is not a very attractive proposal to suggest that they take a trip across the street to visit their friendly neighbourhood banker, even if his door is wide, wide open—and it seems to be these days. I cannot confess I have ever heard them, but I have listened to hear if anybody can come up with strong, counter-arguments against the view that our banks today are the most greedy, grasping institutions in our society. Well, let that be for now; back to the Post Office.

Nearly everyone agrees that the only way to get a decent contract is by way of collective bargaining. It is not always efficient as a method, but it is usually effective. It does seem to me a pity, however, that some union leaders are so quick—so trigger happy—to deploy their ultimate weapon of strike, sometimes even before talks get under way or even before real negotiations have begun in earnest.

Mr. Gamble: Remove the right.

Mr. Penner: My hon. friend says "remove the right". I will come to that in a moment.

Mr. Collenette: Go fight Joe instead.

Mr. Penner: I do not accept his position at all.

The costs to all concerned of deploying the ultimate weapon too quickly are terribly high and often unnecessarily so.

I am sure there is much within the Post Office which requires urgent attention. In fact, in a recent interview, Mr. Warren, the man who will head the new Canada Post Corporation, referred to some of these problems, and I would like to quote just a little from that interview. He said he is convinced that one of the fundamental problems with the Post Office is a lack of pride and job satisfaction on the part of the postal workers. Often, he said, that mood has been manifest in demands at the negotiating table for unreasonable salary increases and substantial improvements in fringe benefits. Postal workers, he said, might not be as strident or inflexible in their demands if they were happier where they worked. Mr. Warren said one of the things he is considering as part of his corporate strategy is a series of sweeping measures to improve working conditions. He said that when money becomes so centre stage, you have to ask yourself if there are not other things and whether the work environment, the safety environment and other things do not come into it.

The postal workers have the right to strike and the right to collective bargaining under law. A positive step has been taken with the appointment of a mediator. I believe we now should be able to adjourn this House in an optimistic frame of mind, optimistic that a fair and just settlement will be negotiated quickly. That is what the postal workers want, that is what the people of Canada want and that is what the Government of Canada wants.

The postal strike, high interest rates which hurt home owners and small businesses in particular, and the rate of inflation are distressing, troublesome and extremely serious issues. It is illusory, however, to lead people to believe that solutions are either simple or readily available. The British government's hard line on inflation is creating serious social unrest in that country. Great Britain today has more than its share of problems. British members of Parliament have their hands full, more than they can cope with.

• (0020)

Recently at a parliamentary Commonwealth Conference in Colombo, Sri Lanka, the President of the Republic spoke to the delegates quite frankly about some of the problems on his island. The hon. member for South Shore (Mr. Crouse) who is sitting opposite heard the speech. The president referred to violence in the northern part of his island and to the efforts of his government to restore peace and order. There has been looting, murder, raping, wanton destruction of property, and all that accompanies violence and disorder. President Jayewardene noted that a number of British members of Parliament had become deeply concerned about the problems in Sri Lanka. Some of them had even sided with those who were

creating the disturbances. President Jayewardene warned those British members of Parliament not to meddle. "Solve your own problems first", he said, "before you cast your eyes elsewhere". Later at a reception I told President Jayewardene that I thought he had tendered good advice and as a Canadian I agreed with him.

I mentioned high interest rates. We all know that the United States Federal Reserve Board is using this policy to attract capital back into the United States rather than to fight inflation as is sometimes claimed. We in Canada are directly affected by the United States policy. The financial critics of the official opposition know this as well as we do. Others are affected besides those of us in Canada. Even the new socialist president of France has had to succumb to the devastating influence of this made-in-U.S.A. policy. Let us hope that the Economic Summit which is helping to push us out of town will be successful to some extent in modifying the high interest rate policy of the United States.

It is not necessary for pessimism to prevail about everything economic. There are also some very important aspects of Canada's present economic state which are extremely encouraging. I should like to mention three: Economic growth, employment and the deficit. There are signs of growth in the economy.

The spring update of the Economic Council of Canada indicated that the outlook for the Canadian economy is brighter now than it was last fall. The figures relating to the gross national expenditure, the GNE or the economy's total demand for goods and services, are more encouraging now even after taking the inflation rate into consideration. For example, the council now projects that for 1981 the GNE will increase by 2.9 per cent. Its previous projection last fall was only 1.4 per cent. For 1982 the council is talking about a 3 per cent increase, and for 1983 it is talking about a 4 per cent increase. Thus, we can see that a moderate recovery of the Canadian economy is expected over the next three years.

Also the Economic Council of Canada indicated that the productivity growth is likely to recover in the 1981-82 period, with an increase in manufacturing productivity of between 2 per cent and 2.5 per cent per year. In addition to these figures, the first economic forecast of the Conference Board of Canada for 1982 projected a decline in the rate of inflation between now and 1982, as well as some growth in exports and in business investment. In fact, it projects an increase in exports by 4.6 per cent next year, compared with only 1 per cent this year. That is economic growth.

The employment picture is also improving. For example, higher growth in employment is forecast over the first three years of this decade because of higher real economic growth. The economic council study indicated:

> From now through 1983, the economy should be able to generate enough new jobs to increase employment by about 3.1 per cent a year instead of the 2.3 per cent projected last fall.

Therefore, the unemployment rate is expected to decrease more rapidly from 7.2 per cent this year to 5.3 per cent by 1985. When we compare Canada's unemployment figures with those of the other OECD countries, we find that Canada is the only country with a jobless rate which decreased from the first quarter of 1980 to the first quarter of 1981.

An hon. Member: Now give us the rate of inflation.

Mr. Penner: Be patient my friend; I will come to that. Britain had an increase in that period of unemployment of 4.7 per cent under a Tory government. The United States had an increase of 1.2 per cent. Only Canada, among all the countries, had an actual decrease in its rate of unemployment.

Finally, I should like to refer to the federal deficit of $14 billion. It is a gross understatement to suggest that this is not a healthy situation. In fact, such a deficit ought to give all of us some sleepless nights. The spring update of the Economic Council of Canada once again provides some encouragement. It indicated that the projections of the federal government's fiscal position have changed dramatically since last fall, principally because of the government's National Energy Program. The Economic Council previously projected a deficit of 4 per cent of GNE in 1981 which would fall gradually to 1.3 per cent of GNE by 1990. In its spring report, the council forecast a deficit of approximately 2.4 per cent of GNE for 1981 instead of 4 per cent, and a surplus position by 1985 instead of a deficit of 2.5 per cent of the GNE. With those projections and figures and that kind of optimism, let us hope that the new budget in the fall will have no large tax increases for Canadians and that there will be no abandonment of the indexation of tax deductions. It is obvious that we do not need them.

It is about time for hon. members of Parliament to return home, to renew relationships with family and friends, to get back to their constituencies, and to enter actively into another aspect of our work—the listening phase. Perhaps if we listen well between now and October and hear what is actually being said rather than what we want to hear, our time here between October and Christmas may be very productive.

In conclusion, I want to express a word of commendation to Madam Speaker. Presiding over the House is seldom an easy task. Madam Speaker has demonstrated the most admirable of all human qualities—the capacity to grow on the job and to respond to the demands of the task. In my opinion, she presides over the House with wit and charm, with intelligence and grace. She is a credit to Parliament.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, good morning; it is now after midnight. I will not take too long, but I wanted to spend a few minutes to tell the House why we in this party intend to vote against the adjournment motion which was placed on the Order Paper by the President of Privy Council (Mr. Pinard). I wish to do that by pointing out that yesterday the House leader of our party made a speech before a few of these events took place. At that time he said as we had instructed him, that our caucus had decided to support the adjournment motion in order to give Judge Gold a chance to get both sides together in the postal dispute and reach a

mediated settlement. But our House leader also said during his remarks, as reported at page 11607 of *Hansard*:

● (0030)

I hope it is in order for me to say that I have been told there will be no closure on this motion, Mr. Speaker, and on that assumption and understanding we had said we would be supporting the government to adjourn the House.

As I said, a number of things have happened since then. First, at eight o'clock last night some 30 odd members of the Liberal Party came very quickly into the House, using some devious trickery and calling for the question to be put. This was very unfair. I think it showed the Liberal Party's lack of respect for Parliament and parliamentary traditions, something we did not expect. More important, last night at 9.45 p.m. we heard a Minister of the Crown introduce a motion for closure. For the first time in the history of Parliament we are seeing adjournment by closure. Because of that our House leader has recommended, and our caucus has supported voting against the adjournment motion at one o'clock this morning.

An hon. Member: You have only three members here.

Mr. Nystrom: I want to point out, Mr. Speaker, and I can tell from the interjections and heckling, that the Liberals have not learned to treat this institution with the respect it deserves.

Some hon. Members: Hear, hear!

Mr. Nystrom: A few years ago their leader said that once members of Parliament leave this place they become nobodies. The Liberals do not respect this institution.

We will have to reform Parliament to make it a more democratic institution in which members from all parties can have some real input into legislation. By bringing in closure the government slaps the face of this institution which is so important to the people of Canada.

Some hon. Members: Hear, hear!

Mr. Nystrom: Because of the government's action there is no way we can support adjourning the House. Thank you, Mr. Speaker.

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, once again, I am called upon to rise before this hon. assembly, and I am always very happy to do so, especially since it is extremely important for the representatives of the Canadian people to be able to express their views in this place. Unfortunately, I am doing so under strange circumstances since, if my watch is right, today is July 18, 1981, and all the provincial legislatures have recessed and we should now be in our own constituencies speaking to our voters and meeting the people who elected us to learn about their needs and where we are going. You know, Mr. Speaker, it is always easy to try to get attention for all sorts of reasons. What I find most surprising in Parliament, where I have been for about 15 months, is that in addition to getting increasingly familiar with the system, because we learn as the months go by, I am now starting to know human nature somewhat better. And the more I know about those on the other side, the more questions I have to ask myself.

When a political party defines its ideas clearly, puts them forward, follows a policy and represents the people who elected it, one may say that democracy is being respected. One may say that politicians are true politicians. I can hear the Right Hon. Leader of the Opposition (Mr. Clark) laughing. I shall get to him, Mr. Speaker, I shall get to the right hon. member for Yellowhead because I am very concerned about him at this time. I would like the hon. Leader of the Opposition to note—

[*English*]

Mr. Paproski: The "Right Hon. Leader of the Opposition".

Mr. Gimaïel: The Right Hon. Leader of the Opposition who is the successor of the Right Hon. John A. Macdonald, the Right Hon. Arthur Meighen, the Right Hon. John Diefenbaker and many others.

[*Translation*]

Many others, from a long line of individuals who had a sense of what they owed to their country, who led a political party to help Canadians build a country, who wanted to give individual rights to Canadians, who came here with ideas and who fought for them. I had always thought that those were the men who were chosen as leaders of national parties. But unfortunately, this evening, I must admit that the most recent choice of the Progressive Conservative Party is not from this line, and I say so after 15 months of work, with no second thought, no malice and in all honesty. Why do I say so? To try to wake some people up. Certain tactics have been used in this House which I cannot accept as a member of Parliament representing 80,000 people in the constituency of Lac-Saint-Jean.

I have witnessed a boycott aimed simply at harming an institution which is sacred throughout the country, namely the House of Commons of Canada, which is the foundation of our democracy. No attempt was made to defend ideas when it was time to speak about the Canadian Constitution. The Right Hon. Leader of the Opposition simply blocked the proceedings by points of order, questions of privilege and all sorts of tricks that had nothing to do with the future of the Canadian people and nothing to do with our country.

Mr. Clark: Why don't you put the question to the people of Lac-Saint-Jean?

Mr. Gimaïel: Now that we are having a debate, now that we shall be going back to our constituencies to see to the needs of our people, what is happening? Once again, from his lofty height, the Right Hon. Leader of the Opposition tells us: Let us obstruct for all kinds of reasons! Now it is for a strike, later it will be for something else. It is simply unacceptable, Mr. Speaker, for the leader of a national party to behave in this way. It is intolerable that a man who was Prime Minister of Canada during nine months should act in such a way. We are

now told that we should stay here to work. Name me, Mr. Speaker, one government who has done as much as we have done during the past 15 months. I only have to mention the Bank Act, the Canadian Constitution, the development of the prebuild, the purchase of F-18 planes, the manufacture of trucks, the complete re-equipment of the army, the consideration of Bill C-48 in committee. Those 15 months were well filled. What was the record of the previous government after 9 months in power?

It was a highly visible record that had consequences lately. Everything connected with Canada was affected. Loto-Canada was destroyed. Petro-Canada was going to be sold. They are against Canada Day, what they want is Dominion Day or Steinberg day. Well really, it is unthinkable. I ask the Leader of the Opposition to reconsider his position and his views. If the Leader of the Opposition wants to act as a juvenile, to play that mindless game without any planning or thought for the future, he should resign. I know some Progressive Conservative backbenchers who are deep thinkers and would make a major contribution to their country.

If he wants to carry on in the same way, I ask his colleagues to open their eyes. A country is not built in a day, Mr. Speaker, with party leaders who do not work for the future of their fellow-citizens, but merely to get some publicity out of major events occurring in this country. That is not the way to work. And if that two-third leader is not capable of making the Progressive Conservative Party regain its former strength at a time when its leaders came here to put forward ideas, then let him retire! There are backbenchers in that party who know where they are going. I could name a few, but I do not want to create problems. And if he does not have the guts to do so, let the Progressive Conservative members do their jobs. They were elected in their constituencies to give the people who elected them the leader they deserve. It is as simple as that.

I would not like to forget my friends from the Non Development Party and No Decision Party, I do not know how to call them. We had another nice experience today, yesterday or today, we do not know what time it is exactly, everything goes so fast, so many things happened after a fantastic job done, the honourable member for Winnipeg North Centre (Mr. Knowles) decided to introduce an adjournment motion in order apparently to force us to come back next week. This is unbelievable. I asked myself, as a young politician, what can motivate a party to bring such a ridiculous idea when we know that everybody needs us in our constituencies. Just like that, at the last moment. I looked for an answer, and I found one I will share with you, Mr. Speaker. I am not sure it is the right one. Because the newspapers gave somewhat more attention to the Progressive Conservative Party because, as I said, of some type of hijacking, they decided to join in that same hijacking in order to get some publicity too. But there must be an end somewhere. I appreciate that the Leader of the New Democratic Party spends his time travelling between El Salvador and Canada, but at some point we will have to call him a bull rather than by his name. At some point we have to look at what is going on in this country. Canadian people have needs. I have some work to do. In fact, the 80,000 people I represent are my direct responsibility. I must go and visit 22 municipalities, meet their leaders.

An hon. Member: What a responsibility!

Mr. Gimaïel: That being so, if I am kept here simply because the Right Hon. Leader of the Opposition and the hon. leader of the second party of the opposition have decided that the House will sit longer, I feel that up to a point it is unfair towards the people, because if I lived here all year round as they do, if I did not go back to my riding frequently like them, then I would understand. I would tell myself, "they see my face often enough on TV, they see me often in the newspapers, I shall be re-elected anyway; it really does not matter." We can stay around longer and keep on talking; it is quite pleasant before the cameras; all's well, the cameras are there. But the truth of the matter is very different, because some hon. members in this House have to go back home every weekend, and work there, find out what their people think, find out what their needs are, and come back here and fight for those needs, to do their work and forge ahead.

In the last few months, the opposition parties, and specially the Progressive Conservative Party have gained some kind of momentum. If I dared, I would call it a type of constipation, in that every time we are about to achieve results with a bill, there is a hijacking or a filibuster akin to the juvenile reaction that moves pupils to take pleasure in disturbing the teacher in school when he is writing on the blackboard. The idea is about the same. No logic, no basic principles, no lofty ideas are put forward. Just a bit of BS. All that so they can say later on: We have done very well; we have managed to slow down the government. I say such actions are childish, immature.

An hon. Member: How true!

Mr. Gimaïel: Canadians deserve a better opposition than that.

It will have to be done one of these days because, if we do not find a solution, Canadians will open their eyes and realize that when an opposition party does not do its job in the House of Commons, in their ridings and elsewhere, the whole society pays for it. I now return to the Right Hon. Leader of the Opposition, the former Prime Minister. True enough it is not interesting to become Leader of the Opposition again after having been the head of the country. But the fact remains that something very important is attached to that position and I hope the Leader of the Opposition will draw some inspiration from the long line of men who preceded him. I saw that same leader visit my riding in Chicoutimi and sign a petition sponsored by the Parti Québécois in support of sovereignty-association, against what was going on here in Ottawa. It is

unacceptable that a party leader who claims to be a Canadian—

An hon. Member: A federalist.

Mr. Gimaïel: —signed a petition like that one, just as it is inadmissible that the leader of a Canadian party cannot accept that July 1 be called Canada Day, just as it is inadmissible that the leader of a Canadian party cannot accept Petro-Canada. It is unbelievable that the leader of a Canadian party put the axe to Loto Canada.

An hon. Member: It is true!

Mr. Gimaïel: The Leader of the Opposition can laugh, he can laugh, but I want to point out to him that he is beginning to saddle his colleagues with his own defeatist and negative approach. There is one member in the House for whom I have always felt much admiration and respect, and that is the hon. member for Nepean-Carleton (Mr. Baker). Something happened yesterday which greatly disappointed me. I heard that same member say earlier today that we would have to sit between 6 p.m. and 8 p.m. because some members still had not had a chance to speak. It was enough to discourage me because at 8.20 p.m. last night that same House leader was not in his seat in the House of Commons.

An hon. Member: Quite true!

Mr. Gimaïel: He was not here, Mr. Speaker, he was not here!

• (0040)

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Lac-Saint-Jean (Mr. Gimaïel) has the floor.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Kilgour: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Edmonton-Strathcona on a point of order.

Mr. Kilgour: Mr. Speaker, we cannot hear him well, could he speak a little louder?

Mr. Deputy Speaker: The hon. member for Lac-Saint-Jean has the floor.

Mr. Kilgour: Louder, Pierre!

Mr. Gimaïel: Thank you, Mr. Speaker, I would like to mention to the hon. member for Edmonton-Strathcona that last night, he spoke very loudly.

An hon. Member: He was alone, by the way.

Mr. Gimaïel: I was saying that I am sorry that the Right Hon. Leader of the Opposition said to us in this House tonight that he would like to sit between 6 and 8 p.m., instead of letting everybody out for dinner, as yesterday this same leader did not return until 8.20 and consequently the debate had to be postponed for 45 minutes. I think one should not go too far in pretending that everybody is cheated as far as the right to speak is concerned in this House. Let us not exaggerate. I feel I ought to emphasize that during the work of the committee, those poor Liberal members have to put up for long hours with the silly rethoric of the opposition parties, and after that they claim they are not given the opportunity to speak in this honourable House. Therefore, I think it is about time we become serious. Now if the government has decided that it is time for members to go home to their ridings, it is because their constituents have needs and this is a fact the Right Hon. Leader of the Opposition should be aware of, as well as members of the New Democratic Party. The best advice I can now give Progressive Conservative members is to return to their constituencies and ask people what they think of the present leadership of their party. What do they think of what they are doing in the House at this time? Do they think they are doing anything constructive to develop their country? They will soon realize that apart from destroying a few ideas, from boycotting in a very childish and disorderly way, this way of abusing the openness of the parliamentary system of the English-speaking world, only stems from a lack of leadership which is rubbing off on the members who are supposed to work for the people.

As a representative of one particular region, I cannot accept that. I want to say something. The day I have reached that point I want my colleagues and my constituents to say to me: Pierre, stay home, we do not need you to go and cry in Ottawa. I came here with the purpose of building not destroying and, especially not to waste the time of those who want to work.

One thing I hope, Mr. Speaker, is that the light of understanding shine on everyone. This applies also to the New Democratic Party. Listen, gentlemen of the No Decision Party, there is a limit to going from left to right, from one side to another, to changing one's mind from one day to the other. That can do for a while, but then it becomes hijacking because we do not know what the party line is, if one indeed remains. At one point, one did not know whether the NDP was more concerned about—I was going to say El Salvador, not Labrador, that is too close to us, they are not concerned about those kinds of things—about El Salvador than the economy of our country. Other times, other issues, they change their minds almost every day.

Beside, it is of the utmost importance that this party should establish a party line because it means a lot to all the Canadian people; this is what makes a healthy democracy and it has never been anything else but that. And how can you explain that this government, the government of the Liberal Party of Canada has been in power for such a long time in this

country? It is because this party has based all its policies on one premise, that is individual rights and freedoms and free access of the riches of this country to every Canadian, not just one class of Canadian, not just one generation of Canadians, not just one kind of Canadian but to all Canadians. But they will never understand that, that is impossible.

Mr. Speaker, when a party leader or when members are just the messengers of provincial premiers, where is that political party going if it is not to total destruction and this is forthcoming. And I say to my Progressive Conservative colleagues: Wake up because tomorrow you will be divided into ten parties with ten premiers to guide you. And you will then be facing a great and strong Liberal Party with a strong leader who is now going to lead the seven most powerful nations of the world into discussions with a view to achieving the security of the riches of this world so that everyone on this earth could share in them. Whatever those foot draggers may think, whatever the members of the Permanently Constipated Party may think—

● (0050)

[*English*]

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, whatever the hon. member for Lac-Saint-Jean (Mr. Gimaïel) has been smoking, I think he should pass it around the House.

Some hon. Members: Order!

Mr. Deputy Speaker: Order, please. I am sure the hon. member, after reflection, would like to withdraw those remarks.

Some hon. Members: Hear, hear!

Mr. McDermid: Mr. Speaker, I will be happy to withdraw those remarks. This is the most enthusiasm I have seen in the Liberal party in a year and a half, and I congratulate the hon. member.

Some hon. Members: Hear, hear!

Mr. McDermid: This has been an interesting session; a session when there has been tragedy in this country. The tragedy is that gas prices have risen from $1.07 to $1.60 when, in the last campaign, it was promised that they would be kept down. Interest rates have gone from 14 per cent to 20 per cent. Inflation has risen from 9.5 per cent to 12.8 per cent, which is the highest in modern times, and the dollar has fallen from 86 cents to 83 cents and below, as compared with the American dollar.

Probably the most positive thing that has happened in this session is that the Attorney General was awarded an honorary doctorate of law. That is about the most positive thing we can say about this entire session.

As a relatively new member of the House of Commons, I am very disappointed that the government keeps bringing in closure on important issues. It invoked closure on the Constitution. As the member for Brampton-Georgetown, I was unable to speak on that bill because of closure. Then it brought in closure on energy issues and now it has brought in closure because it wants to go on holidays. It is shameful, Mr. Speaker.

I listened to the hon. member for Thunder Bay-Atikokan (Mr. McRae) and I listened to the hon. member for Lac-Saint-Jean and others telling me that that they have to go back to their ridings to listen to the people. I do not know where they have been for the last year and a half but when they get back to their ridings, they are going to get an earful. I have been going back to my riding every weekend to listen to what the people have to say.

That party over there is in a lot of trouble. If I belonged to it, I would not go back to my riding; I would stay in Ottawa.

I get great enjoyment from some of the pontifications and lectures from the other side, Mr. Speaker. Today we heard about how we opposed everything. That is not true, Mr. Speaker. We have supported good legislation. I have seen many bills get three readings in this House in a matter of an hour because it was good legislation and we were able to support it.

We oppose those things that are wrong for this country and we amend those bills that we feel we can make better. That arrogant government opposite does not listen but rams things through. If things do not go its way, then it wants to close the House down.

Yesterday, the Minister of Labour (Mr. Regan) announced that there was to be mediation in the postal strike. I am glad of that and all of us in this House are glad of that. We hope it works and that they reach a negotiated settlement. I see the President of the Treasury Board (Mr. Johnston) is present tonight and I am sure he would like to see a negotiated settlement so that he may enjoy a few days' rest.

But the Minister of Labour said that they cannot operate in mediation when we are looking over their shoulders. Mr. Speaker, every time this government goes to mediation, does that mean we have to close the House? Can we not operate and discuss other important bills? Just the other day the government House leader was telling everyone that there are 25 important pieces of legislation to be passed. We are prepared to discuss those while the mediation talks go on, but the government wants to get away. Hon. members opposite want to go on holidays. They got their pay raise, as we all did, but we are willing to stay here and work for it while they want to go off for the summer.

I see the chairman of the Quebec caucus hollering and hooting over there. I never see him on his feet. He always speaks from the seat of his pants. He does not have enough nerve to stand up. He is sitting on his best part.

I heard the Liberals say today that they cannot get the work of the House done. I have attended many committees, Mr. Speaker, where Liberals did not show up and it was not possible to have a quorum and carry on the meetings. I know why. All those guys on the back bench were putting pressure

on the cabinet for a number of things, one of which was a summer holiday. They finally won. They fought the Postmaster General (Mr. Ouellet) and the government House leader (Mr. Pinard) into closing the place down for the summer. That is a shame and it is disgusting.

• (0100)

We do not have postal service in this country, inflation is running rampant, energy prices are going up and people are suffering under the detrimental effects of a non-caring government and a cabinet that has hardly been here the last couple of weeks. They have been on holidays already.

An hon. Member: What has Jack Austin got on you guys?

Mr. McDermid: Mr. Speaker, listen to hon. members over there. It is now three minutes past one. I get my full 20 minutes but they are calling for the vote now. They are in a real rush to get out of here. I am going to use my full 20 minutes. Let us take a look at the increased cost of energy. Since this government has been in power, it has raised the price of gasoline 13 times. In the province of Ontario it costs around $1.60 per gallon. I have listened to the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Lalonde) tell me they want another small piece of the pie. That is all they want. Right now, out of $1.60 per gallon the federal government gets 58 cents which is about 33 per cent. Now the federal government wants more. It is sad that most of the government's 33 per cent take is shipped out of the country to Saudi Arabia, Venezuela and Mexico.

Mr. Smith: And Brampton.

Mr. McDermid: I wish it were shipped to Brampton, we could use it in Brampton. We could use mail delivery in Brampton, too.

Some hon. Members: Hear, hear!

Mr. McDermid: Not only mail delivery when the Post Office is supposedly working, but some of those new subdivisions that have not had mail delivery for two years. They deserve it as well. What does the Postmaster General say? He tells people not to worry because when the Post Office becomes a Crown corporation, it will take care of them. I hope he is right because he has been telling that to everyone over here. He has been saying that the Crown corporation will solve all the problems of the Post Office. He has been putting a great deal of pressure on Michael Warren. I hope the Postmaster General is right, although I doubt it.

Mr. Benjamin: Do you want to stay next week?

An hon. Member: No.

Mr. Deputy Speaker: Order, please. The hon. member for Brampton-Georgetown has the floor.

Mr. McDermid: We will sit next week. Hon. members opposite are the ones who are closing the place down. You want to stop the work of the House.

I want to get back to the price of energy because I think this government has been hoodwinking the peopie of Canada. I want the Prime Minister who is not here and the Minister of Energy, Mines and Resources, who is not here, to explain to the Canadian people why they want more and more of the energy pie. This government already takes 33 per cent. How much more does the government want?

An hon. Member: All of it.

Mr. McDermid: That is right.

The Prime Minister likes to call all the backbenchers nobodies. The reason he does that is that he does not give them an opportunity to speak. Nobody can speak in this House. Any time there is an important issue, the Prime Minister invokes closure. I know the Minister of Justice (Mr. Chrétien) is as embarrassed as anyone over there by the closures which have been brought in on at least two very important issues. This issue is as important as the Constitution and the energy discussions. What does this cynical government do? It appoints a backbencher to the Senate who has served in this House for a relatively short period of time. Then that cute little cherub from the Prime Minister's office is parachuted into Spadina because he could not get elected in Alberta, the province from where he comes.

Mr. Baker (Nepean-Carleton): He won't get elected in Spadina either.

Mr. McDermid: I tell you now we are going to put the boots to Coutts.

Some hon. Members: Hear, hear!

Mr. McDermid: I see them all laughing over there. They think the great annointed from the Prime Minister's office, the laying on of the hands, is going to walk right in. Now I hear leather lungs from Newfoundland hollering. This is bothering them. They know this was a bad move. First, members over there are very upset at the Senate appointment. I see a hundred people over there who deserve it more than the one who got it—maybe not a hundred.

Mr. Hnatyshyn: At least the Liberals will have somebody with sex appeal now.

Mr. McDermid: We are going to win Spadina. We have a terrific candidate in the person of Laura Sabia. You can all smirk over there but wait until August 17.

An hon. Member: She will finish third.

Mr. McDermid: Mr. Coutts will be back here. One of you lucky guys may get him as an assistant.

An hon. Member: Maybe even a secretary.

Mr. McDermid: I shouldn't tell you that because it will probably encourage you to work to get him elected.

Mr. Deputy Speaker: Order, please. I wish to draw to the attention of the hon. member that his remarks should be addressed to the Chair.

Mr. McDermid: Through the Chair, Mr. Speaker, we are going to put the boots to Coutts.

To sum up, we on this side are very disappointed. We have had a session where we have seen closure brought in three times on three of the major issues facing this country today. The small businessmen in my community, many of them whose cash flow has been cut to under 50 per cent, who are carrying stock at 22 per cent at the bank who cannot afford any more loans to pay their staff and are laying them off while this government says "go away, do not worry about it, if we need you, we will call you back. There is no emergency now."

There is an emergency in this country. It is a very serious one. It is called a postal strike and we have to solve it and solve it quickly.

We are prepared to sit here and discuss all the government business. Bring on the bills. I say to the government House leader, bring on the 25 government bills and we will debate them while mediation goes on. We want to stay here to be assured that the postal strike is solved this summer.

● (0110)

The little pink rump to my left is nattering away. We know that the government has a majority and that it is going to put the padlock on this place until October 14. It really does not care about what is going on in this country. It wants to get away from here because the heat is too much. They are getting out of the kitchen. They do not like the heat of the uranium cartel. There are too many things that are bothering them.

The government doesn't like the pressure with regard to VIA Rail. The Minister of Transport (Mr. Pepin) should be ashamed with what is going on with VIA Rail. It is disgusting. The government does not like to see interest rates around 20 to 22 per cent. It does not like questions about what it is going to do about it. The government does not like questions about what it is going to do about people living in AHOP developments who are being kicked out because they cannot go from an 8 per cent mortgage to an 18 per cent first, plus a second mortgage to pay back the loan that the government so graciously made to them in the first place.

[*Translation*]

Mr. Deputy Speaker: Order. In accordance with the provisions of Standing Order 33, it is my duty to interrupt these proceedings and to put forthwith every question necessary to dispose of the motion now before the House.

[*English*]

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Pinard) which was agreed to on the following division:

● (0120)

(Division No. 85)

YEAS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Breau
Burghardt
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacGuigan
Mackasey
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead—120.

NAYS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blenkarn
Bosley
Bradley
Cardiff
Clark (Yellowhead)

Messrs.

Clarke (Vancouver Quadra)	Jelinek	Murta
Coates	Keeper	Neil
Cook	Kempling	Nowlan
Cooper	Kilgour	Nystrom
Crosby (Halifax West)	King	Oberle
Crouse	Knowles	Orlikow
Dantzer	Korchinski	Paproski
Darling	Kushner	Patterson
de Jong	Lawrence	Roche
Domm	Lewis	Sargeant
Fennell	MacDonald (Miss)	Scott (Hamilton-Wentworth)
Fraser	Malone	Scott (Victoria-Haliburton)
Fretz	Mayer	Shields
Friesen	Mazankowski	Skelly
Gamble	McCain	Speyer
Gass	McCuish	Stewart
Gilchrist	McDermid	Taylor
Gurbin	McGrath	Thomson
Halliday	McKinnon	Towers
Hargrave	McKnight	Vankoughnet
Hawkes	McLean	Wilson
Hees	McMillan	Wright
Hnatyshyn	Miller	Young
Howie	Mitchell (Mrs.)	Yurko—85.
Huntington	Munro (Esquimalt-Saanich)	
Jarvis		

● (0140)

Madam Speaker: I declare the motion carried.

Motion agreed to.

Mr. Baker (Nepean-Carleton): On a point of order, Madam Speaker. As we are breaking now for a long period of time I wonder if it might be appropriate if I express, on behalf of all members of the House, our thanks to all members of the staff—security, pages, officers at the table, the *Hansard* staff, and all of those who have served us so well and so faithfully and who have done their best to make our life here as comfortable as possible.

Some hon. Members: Hear, hear!

Mr. Knowles: Madam Speaker, may I join the hon. member for Nepean-Carleton in the expression of good will which he has conveyed? I should like to add to those whom he has mentioned others who have served us—the press, who cover us in one way of another—

Some hon. Members: Boo!

Mr. Knowles: I referred to the press who have covered us in one way or another.

Finally, special greetings to Your Honour.

[*Translation*]

Mr. Pinard: Madam Speaker, besides those who have been mentioned by my colleagues from Nepean Carleton (Mr. Baker) and my colleague from Winnipeg North Centre (Mr. Knowles), I should like to thank our pages who acquired quite an exceptional experience and who have been very useful to us. I wish to pay them tribute.

Some hon. Members: Hear, hear!

Mr. Pinard: On behalf of the government, we should also like to thank all the press people who have to adjust their schedule to ours, as well as the families of all parliamentarians and all those whose work is related to that of the House, for their patience and understanding in the circumstances.

[*English*]

Madam Speaker: May I wish everyone a very happy holiday. I rejoice in the thought that their families will recuperate them. They must have thought they had lost them for all summer.

I also want to say goodbye to our pages who are just as sad to leave us as we are to see them go.

[*Translation*]

Have a nice holiday and may God be with you.

At 1.44 a.m. the House adjourned until Wednesday, October 14, 1981 at 2 p.m.

END OF VOLUME X